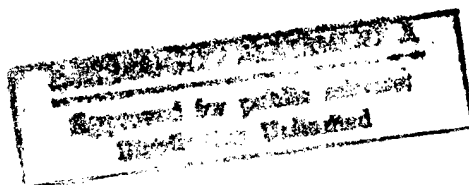


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28 March 1985



# China Report

AGRICULTURE

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28 March 1985

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### AGRICULTURE

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NATIONAL

WAN LI ON ALL-ROUND DEVELOPMENT OF RURAL ECONOMY

OW010738 Beijing XINHUA in English 0712 GMT 1 Mar 85

[Text] Beijing, 1 Mar (XINHUA)--Vice Premier Wan Li called for developing a socialized, market-oriented rural economy in his speech at the 1984 National Rural Work Conference. To be specific, he said, the rural economy from now on must develop in accordance with the laws of nature and market demand.

Efforts must be continued to readjust the ratios between agriculture, forestry, animal husbandry, sideline production and fisheries, which constitute the foundation of the rural economy.

Meanwhile, he said, there is also the necessity to break away from the traditional concept that tends to regard agriculture as the sole undertaking in the countryside.

Excerpts from the speech appear in the No 5 issue of the journal RED FLAG published today.

The vice premier called upon grain-producing areas to continue to increase the per-unit output. Nevertheless, he stressed, there is a need to increase the variety, and improve the quality, of food crops to meet market needs. Reprocessing of food crops for added value should also be encouraged, he said.

As regards areas not suited to grain crops, an increasing proportion of land should be converted to forests, pastures and fish ponds. Wan Li proposed that the acreage sown to grain and cotton be reduced in coastal areas and the outskirts of cities, thus making it possible for peasants there to concentrate on producing goods needed by the cities or in demand on the international market.

In Guangdong Province, for example rural production should be organized in such a way as to meet the market needs of Hong Kong, Macao and Guangzhou, the provincial capital.

Peasants in mountainous areas should be encouraged to develop commodity production by exploiting local resources, such as minerals, timber and herbal medicinal materials.

Wan Li also called for efforts to assist peasants in increasing numbers to shift to industry and the tertiary sector. At present, priority should be given to transport, mining and construction. While requiring less technology, he added, these industries can absorb large numbers of workers not needed on the land and yield quick turnovers. The tertiary sector is a major weak link in the development of the rural economy, Wan Li noted. He expressed the hope that it would eventually employ a third of the country's rural labor force.

The current policy of encouraging rural prosperity has greatly alleviated chronic food shortages everywhere in China. This is the material foundation for China's agricultural modernization, a shift from the traditional small farming economy to large-scale commodity production, he said.

CSO: 4020/146

NATIONAL

WAN LI ON FUNDING RURAL ECONOMIC DEVELOPMENT

OW010834 Beijing XINHUA in English 0752 GMT 1 Mar 85

[Text] Beijing, 1 Mar (XINHUA)--Bank loans and money raised by peasants themselves will be the main source of funding for China's rural economic development, Chinese Vice Premier Wan Li said at the 1984 National Rural Work Conference.

His speech was carried by the latest issue of the journal RED FLAG.

He anticipated that large numbers of peasants would be shifting from farming to industry, commerce and services. To equip these peasants and develop nonfarming undertakings would require huge sums of money. But the state cannot increase its agricultural investment by large margins, he said.

Wan Li estimated that peasants throughout China now have savings amounting to tens of billions of yuan, and it is now time to encourage them to pool their money to start nonfarming undertakings.

Peasants in seven counties in Zhejiang Province in 1984 pooled 270 million yuan and set up more than 10,000 factories, he said.

Wan Li also cited the example of some coastal areas where peasant cooperatives are investing in less-developed areas. This is a good way of helping economically backward areas to develop, he noted.

Speaking on rural industrialization, he called for equal treatment for factories run by township governments and factories run by peasant cooperatives or individual households. In many places, he said, cooperative and individual factories now furnish almost half of the rural industrial turnovers.

Cities must help rural industries to develop, Wan Li emphasized. He cited the example of the Beijing washing machine factory which has 98 percent of its parts and accessories produced by rural factories. In the past five years this has enabled the factory to increase its output 30 times and annual profit 50 times. The experience of the factory is applicable throughout China, Wan Li said.

From now on, he said, all city and rural officials must be concerned with the overall development of both the urban and rural economies with a view to eventually eliminating the economic barriers between town and countryside.

The ultimate aim is to establish a new type of town-countryside relationship, according to the vice premier.

Wan Li envisaged still more flexible policies to encourage peasants to start new businesses in what is known as "small rural towns." The new policies will also allow them to rent existing small enterprises which are running at a loss or making only marginal profits.

CSO: 4020/146

NATIONAL

#### 14TH LECTURE ON RURAL ECONOMIC POLICIES

OW201127 Beijing Domestic Service in Mandarin 1120 GMT 18 Feb 85

[Last in a series of 14 lectures on rural economic policies: "Study and Implement the Rural Economic Policies To Greet a New Upsurge in Agricultural Production"]

[Excerpts] Listeners, comrades: In the previous talks we mentioned that China's agricultural production had already entered a new stage of commodity production. In commodity production and a commodity economy, we must orient production toward market demands and give consideration to the needs of society. Thus, the old agricultural structure is no longer compatible, and we must make changes in view of the new situation of a commodity economy. What is the most fundamental issue in changing the agricultural structure in order that agricultural production can proceed in a coordinated manner? The most fundamental issue is to follow the law of value, readjust the regulatory role of the market, relax price control step by step, and allow the peasants to produce according to market demands. Apparently, this is a profound change from the past. The new situation has brought new problems to the rural cadres and the peasant masses. Hence, the familiar past practices no longer apply to the new situation, and we must learn new practices by earnestly studying the rural economic policies formulated by the CPC Central Committee and by profoundly understanding the guidelines of the Central Committee's instructions. It is necessary to break away from the old ideas and make changes in terms of thinking, work style and work methods. The cadres must study how to use scientific methods to meticulously guide the development of commodity production. The peasants must learn how to pay attention to market trends, develop commodity production according to market demands, and strive for prosperity through hard work in developing a commodity economy.

The central leading comrades have repeatedly called on the rural cadres at various levels to study the advanced experience at home and abroad. At the same time, they must be bold in exploring and adopting new ways, and changing everything, in terms of ideology, institutions, policies and work style, that is incompatible with the new situation. They must break away from all things that hinder reform and meticulously guide agricultural development in accordance with the natural law and the economic law. In the past, we mainly relied on plans based on directives in leading agriculture and managing the rural economy; now, we must learn how to use plans based on guidance. In the past,

we mainly relied on administrative orders; now, we must learn how to employ economic measures such as pricing, taxation and credit loans. In the past, we issued arbitrary orders to peasants; now, we must learn how to provide social services to peasants before and after production.

Cadres must wholeheartedly serve the people and must not abuse their power to seek personal gains. The peasant masses must properly handle the relations between the state, the collective, and the individual and must not engage in speculative sales at the expense of the state and the collective; in other words, they must not seek personal gains at the expense of others.

Comrades: All the rural economic policies mentioned above were formulated by the CPC Central Committee and the State Council in accordance with the basic guidelines of the Decision of the Central Committee of the Communist Party of China on Reform of the Economic Structure and through integration with the new situation in the rural areas. The implementation of these policies will surely further emancipate the productive forces of the rural areas and bring about a new upsurge in agricultural production.

CSO: 4007/242

NATIONAL

WOMEN BECOMING MORE ACTIVE IN RURAL ECONOMY

OW050947 Beijing XINHUA in English 0904 GMT 5 Mar 85

[Text] Beijing, 5 Mar (XINHUA correspondent Chen Ling)--More rural women have become rice-winners now they are financially more independent. As the "March 8" International Working Women's Day draws near, many rural women find themselves out-earning their men, especially in families engaged in specialized lines of production, in which brain often counts more than brawn. They have more say in signing contracts, planning production and buying furniture.

Before the farm production responsibility system linking earnings to output was introduced to rural families, the government had taken steps to reinforce sex equality by denouncing feudal ideas of women's inferiority. But rural women seeking economic independence were still at a disadvantage when they had no other choice but heavy field work alongside the men, and in many cases without equal pay for equal work.

The old saying, "men are money rakes, women are money boxes," no longer holds in many rural families.

Wang Qingshu, member of the secretariat of the All-China Women's Federation, says the family-based responsibility system and more flexible rural economic policies brought women's talents into fuller play and gained them greater respect in the family and society.

In China nearly 150 million rural women are engaged in farm and sideline production, animal husbandry, forestry and fishery.

In Shandong Province, 2.7 million women tend 90 percent of the cotton fields, and all 38,000 hectares of cotton fields in Liaoning Province have been contracted to women.

Families are the basic units of production in today's countryside, and many diligent and capable women not only participate but manage the whole process of family production.

Crippled, 42-year-old Zhang Zhenying is a beekeeper on the outskirts of Linfen city, Shanxi Province. She also raises pigs, chickens and geese and manages her children, who till contracted fields. Seeing the inadequate transport in the coal rich area, she bought a truck and organized a family haulage business. The family makes 20,000 yuan (about 7,000 U.S. dollars) a year.

Rural women are now moving towards large-scale commodity production in processing, stock-breeding, weaving, embroidery, drawn work and service trades.

In Jilin Province, women head 43 percent of the 690,000 families in this work, and where commodity production is more developed the percentage reaches 50.

In Xianghe County, Hebei Province, 48 percent of women in commodity production bring in 43 million yuan (about 15 million U.S. dollars), 35 percent of the county's commodity production value.

However, diligence and physical power alone can no longer help women win the current race to get rich with the rapid development of commodity production in the countryside.

The challenge has led over 10,000 women to agricultural science centers, training classes and lectures in Huaide County, Jilin Province. Literacy classes in Zhuzhou County, Hunan Province enabled 12,000 women to be further trained in tea growing, embroidery and pig breeding.

More women are gaining scientific knowledge and information from broadcasting and the press.

The All-China Women's Federation has made it one of this year's most important tasks to raise the scientific competence of rural women and help them coordinate production.

CSO: 4020/146



NATIONAL

BAN YUE TAN ON REFORMING RURAL SUPPLY, MARKETING

HK110919 Beijing BAN YUE TAN in Chinese No 4, 25 Feb 85 pp 21-22

[Article by the Economics Editorial Room: "What Is the Next Step To Be Taken in Reforming the Supply and Marketing Cooperatives System?"]

[Text] At last year's national economics conference, it was put forward that we must make five breakthrough points in the reform of the supply and marketing cooperative system, that is the labor and personnel system, allotting shares to peasants, operating range, service areas, distribution system and pricing. Over the past year, supply and marketing cooperatives in various localities have made remarkable results in these five breakthrough areas. Nationally, over 90 percent of China's peasants have become shareholders by buying shares worth 900 million yuan, an increase of over 50 percent compared with 1983. Consequently, funds of 440 million yuan were raised for running more than 7,000 enterprises in various trades. Also, cadres of supply and marketing cooperatives in various localities have generally conducted democratic elections. According to the statistics, more than 62,000 of China's peasants were elected directors and supervisors of supply and marketing cooperatives at various levels; whereas more than 1,400 people were appointed heads and deputy heads of boards of directors of the cooperatives at grass-roots level. Both the operating range and service areas of the cooperatives have been expanded. In principle, they have also made major breakthroughs in the labor and personnel system, pricing and distribution.

Then, is the reform of the supply and marketing cooperatives system good enough? No, it is not. Generally speaking, a series of basic reforms of the supply and marketing cooperatives system must be effected down to supply and marketing cooperatives at each level and every grassroots unit. Therefore, the task is still arduous. What is the next step, then?

The next step is to get to the heart of the matter, which is the most important. That is, we must settle well the issue of replacing ownership by the whole people with collective ownership. The supply and marketing cooperative must truly possess the characteristics of collective enterprises in terms of ideology, organization and structure.

When a supply and marketing cooperative has carried out reforms, to what extent should we regard it as having the characteristics of a collective enterprise? Proceeding from the content of the cooperative, we should judge from the following four points:

First, supply and marketing cooperatives must change their capital structure. Next, we must continue to actively allot more shares to, and raise funds from peasants. On the principle of volunteerism, both in becoming, and withdrawing, as a shareholder, we must allow the amount of money paid for shares and that of funds raised to increase considerably. Though we have already made some breakthrough points, proceeding from the overall situation, the amount of money paid for shares by members of cooperatives is still less than 10 percent of the capital owned by cooperatives. Therefore, we should considerably increase the percentage. Furthermore, the business accumulation of cooperatives should be owned by collectives, so that it really reflects its being a peasants' joint economic organization in terms of ownership.

Second, members of supply and marketing cooperatives should act as masters when leading and supervising the cooperatives and their subsidiary enterprises. Also, these members should act in accordance with the regulations. No matter how many shares the members have bought, they all enjoy equal rights. We should boldly recruit outstanding peasants into the leading groups of the cooperatives. This is one of the important criteria for judging whether or not a cooperative possesses the characteristics of a collective. This is also a guarantee of running the cooperatives well.

Third, in terms of operation, supply and marketing cooperatives should serve the peasants, and hold themselves responsible to the peasants and their members. The cooperatives must operate and provide services in accordance with the needs of peasants. We must develop supply and marketing cooperatives into the comprehensive service centers of the rural economy.

[HK110921] Fourth, in business management, supply and marketing cooperatives should be independent units and solely responsible for their profits and losses. Profits realized by enterprises should be used for tax delivery to the state in connection with regulations, as well as readjustment funds delivery to the cooperatives at upper level. The distribution of surplus should be decided by meetings of cooperatives' members.

If a cooperative fails to meet these four requirements, it will not be a cooperative.

But if it does meet them, it should grasp several tasks in the future.

First, it should continue to solve problems of ideology and understanding. It must understand the urgency and necessity of creating a new situation in the work of supply and marketing cooperatives under the new circumstances in which the rural areas are developing. It must also consciously expedite its pace of reforms.

Second, it must continue to grasp well the coordination and implementation of various management systems. The operational responsibility system is very important in the management system. This is the basic thing that strengthens the vitality of supply and marketing cooperatives, and heightens the initiative and creativeness of workers. We must persist in workers' participation in management, implement the director and manager responsibility system, and

uphold the integration of duties, rights and interests. After insuring the delivery to the state and cooperatives at the upper level, and that to the collectives' accumulation fund in connection with the regulations, supply and marketing cooperatives may, in the light of their characteristics, practice floating wages, excess piece rate wages, piece rate wages or wages with allotment. They may also practice technical allowances and duty allowances. We should pay higher wages to people who are skilled and have made contributions to enterprises. Enterprises should make their own decisions on wages of newly recruited experts and technicians. In the future, the distribution of supply and marketing cooperatives' enterprises depends on their operational results. If an enterprise achieves higher economic results than before, we should give more bonuses to the leadership than the workers.

We should adopt a flexible responsibility system, and take into consideration the actual conditions of supply and marketing cooperatives. Since the cooperatives are formed to serve the peasants, we must regard the service quality as a criterion when implementing the responsibility system.

Third, we should strengthen scientific and technical education work. Not only do supply and marketing cooperatives need clear circulation channels but also modern knowledge and technology. We must raise funds to engage in the necessary scientific research and educational undertakings. We must not begrudge spending money on development, but should attach great importance to developing and investing in intellectual resources. We should encourage interregional cooperation on qualified personnel and technical affairs. We must also be bold in breaking rules in promoting qualified personnel.

CSO: 4007/242

NATIONAL.

#### RURAL MARKET PRICES DECLINE SLIGHTLY

HK280427 Hong Kong TA KUNG PAO in English 28 Feb 85 p 6

[Text] The average price of goods at peasant markets fell by 0.03 percent last year, the first drop since 1980, according to figures published in PEASANT DAILY.

The newspaper said peasant markets were flourishing all over the country following five successive harvests, and the ample supply of goods was putting downward pressure on prices.

Bigger falls in prices were reported in southern parts of China. The statistics showed that an average basket of goods bought at a peasant market in Guangxi at the end of 1984 was 1.48 percent cheaper than 12 months previously. In Wuhan, it was 1.41 percent cheaper.

Goods which fell in price included rice, soybean, vegetables and peanuts.

There were 56,000 peasant markets in China at the end of 1984, 7,800 more than at the end of 1983. Turnover soared 21 percent to 45.9 billion yuan.

There were big increases in the supply of meat, poultry, eggs and building materials. A few years ago, grain, oils, vegetables, animals and farm implements dominated the markets, but this is changing, says the paper.

The number of wholesale markets dealing in agricultural and sideline produce quadrupled to more than 1,000 urban areas last year.

Many peasants switched from farming to long-distance haulage, which helped to speed the flow of goods to markets.

Reports from Sichuan, Guangdong, Zhejiang, Anhui, Hubei and Jilin Provinces showed the number of people dealing in long-distance transportation of agricultural and sideline products amounted to 1.36 billion last year. In Sichuan Province, peasants have set up 130,000 family-run workshops and cooperatives, provincial officials said on 18 February.

To encourage more peasants to switch to nonfarming business to develop a market-oriented rural economy, the local governments have exempted taxes in

animal byproducts, beekeeping, production of farm machines and tools, pesticide, fertilizer, medicine for animals, feeds and construction of hydroelectric power stations. They also give these workshops and mills technical aid.

More than 30,000 peasant households on the Chengdu Plain are running breweries or producing bean curd and bean milk, bricks or prefabricated concrete structures for housing building. Officials said these are much needed on the market.

An ECONOMIC DAILY report said on 24 February that commodities for the first time accounted for more than 50 percent of farm produce last year in Hubei Province, central China.

The paper described this as a breakthrough in developing rural commodity production, as the Chinese Government encourages peasants to shift the rural economy from a subsistence to a commodity-oriented type.

The total value of rural commodities in Hubei was 6.4 billion yuan, 27.2 percent more than the previous year, while rural income grew by 26.2 percent, averaging 377.6 yuan per capita.

CSO: 4020/146

NATIONAL

## RURAL INDUSTRY, ENTERPRISES CONTINUE REFORMS

Beijing ZHONGGUO XIANGZHENQIYE BAO in Chinese 2 Jan 85 p 1

[Editorial: "Developing Rural and Small Town Enterprises Through Structural Reform of Rural Industry"]

[Text] The past year has been a year of victorious advance under the guidance of our party for all the peoples in our country. Looking at the rural villages, we know that under the directives of Central Committee Documents No 1 and No 4 there was a harvest that is greater than even the good harvests of the preceding few years. The development of rural and small town enterprises has also been at a very fast rate. In the Third Plenum of the 12th CPC Central Committee, reforms in overall economic policy were made when it was determined that the cities are the important centers of development. As a result, both urban and rural economic reforms will be carried out with mutual cooperation, help and encouragement. States of prosperity will also result in both the urban and rural areas. Under these circumstances, favorable conditions have arisen for the structural readjustment and reform of rural industry.

In this regard, an important problem that should be solved quickly is how to develop rural and small town enterprises through their structural readjustment and reform. The necessity of this is one of the natural outcomes of the development of a commodity economy. Within the last few years, our party's agricultural policies have had great results. Therefore, the growth of development of Type I enterprises in agricultural production has been extremely fast, with vastly increased acreages in the production of such commodities as grains and cotton. In Type II enterprises in agricultural production, namely, the growth of commodities, there has also been a corresponding rate of development. The development of Type III enterprises, however, namely the service industries, such as retail, transportation, travel, finance and service consultation, has not kept up with the development of the first two types of enterprises. Our aim in the structural readjustment of rural industry is to integrate all aspects of the rural economy into a comprehensive unity so that after the necessary readjustment and reform, there will be an overall economic advancement that will in turn help in the entire economic advancement of our people.

The structural readjustment and reform of rural industry must be based on our agricultural foundation, so that after the necessary readjustment and

reform, steady agricultural production will be maintained. In the last few years, although there has been a tremendous increase in our production of grains, when compared with the production of grains in the economically advanced countries, ours still lags behind. Therefore, in order to safeguard our people's standard of living and to improve food production, we should pay great attention to grain production.

This relative growth in agricultural production has added almost a new dimension to our rural and small town enterprises. We should utilize this advantageous opportunity to increase the value of multiple processing of grains and sideline products. Grain, cotton and edible oils, pigs, oxen, sheep and poultry, melons, fruits and vegetables: all are first-rate raw materials for the processing industry. We should strive to be the "clever housewife" and greatly expand processing industries that take sideline products as their raw materials, and promote the development of various trades that serve the processing industry.

The structural reform of rural industry does not depend only on the efforts of the rural areas, however, it also relies on the cooperation of the advanced productive forces in the cities. The same productive force responsible for the progress of the economic reforms made in the cities should be carried out with planning and organization in the rural areas in order to achieve cooperation between the cities and the rural areas. The rural and small town enterprises will be able to benefit greatly from the experience of the enterprises in the cities. An example is the pioneer "White Orchid Path," the washing machine factory in Beijing which moved 98 percent of its parts production to the villages, resulting in the increase in the factory's parts production as well as in the rise in the profits of both the main factory and the subsidiary rural and small town enterprises. From now on, similar production planning and methods should be practiced widely. As a result, there will be close cooperation between the centrally controlled industries in the cities and the rural and small town enterprises. There will also be increases in both the rates of production as well as the kinds of the products produced. At the same time, the rural and small town enterprises should actively seek cooperation with the large-scale industries in the cities so that the former may benefit from the experiences of the latter with the consequence that there will be better production and technological development in the rural and small town enterprises. Their products will, therefore, ultimately be able to compete with the products of the other industries.

However, an important part in the overall readjustment and reform of rural industries is the development of Type III enterprises. The third type of industries both develops from the foundation of the first and second types and conditions their development. Looking at the general situation in our country, we can say that China has always paid great attention to the first type of industries, and within the last few years, it has also noted the development of the second type, but it has rather neglected the third type with the result that its development has been rather slow. According to statistics from 1983, the production of the third type accounted for only 20 percent of our entire total production and the personnel it employs are also minimal compared with the personnel of the first and second types.

The development of the third type has not kept up at all with the development of the first and second. Therefore, in the overall structural readjustment and reform of the rural and small town enterprises, we should focus our efforts on the arena of the third type of enterprises. This is a most important item on the agenda of overall reform; and all departments that are in control of rural and small town enterprises must channel their work in this direction.

Nevertheless, the development of all enterprises--whether they be the processing of agricultural sideline products, various industries, or Type III enterprises--is closely related to the consideration of the qualified personnel. Similarly, in the channeling of the productive forces in the cities to the rural areas, the most important goal is the moving of capable and qualified personnel to these areas. "Without agriculture, there is no stability; without industry, there will be no wealth; and without commerce, there will be no livelihood." The popularity of this colloquial proverb has become almost a directive in the rural areas. Yet in practice, another part was added in 1984, namely "without qualified people, there will be no progress." The importance of this addition shows clearly the new direction in the economic development in the rural areas. In our development of rural and small town enterprises, qualified personnel have become an even more important factor. An important factor in the rapid development of rural and small town enterprises in the Suzhou area can be shown from the saying, "I have become wealthy on the brains of others." This actual experience, therefore, shows us that with this "god of wealth," new products will be made, new technologies applied, new handicrafts developed, economic benefits will also rise, and formerly withering and dying enterprises will be revived once again. Therefore, a very important item in our work of developing rural and small town enterprises is the employment of large numbers of capable and qualified personnel and the training of these people for the future.

Finally, in developing the rural and small town enterprises through the structural readjustment and reform of rural industry, we should also elevate the people's awareness of the whole issue. Within the last few years, although the people's understanding of the issue has increased, because their knowledge of cooperatively and independently managed enterprises is still low, therefore the necessary leadership and mutual help are still lacking. From now on, we should give unanimous support and guidance in the following ways: At leadership levels, there should be strict separation between the political and the industrial areas with any political interference in industrial capital and resources strictly prohibited. In the matter of taxation, the aim is to increase production and such practices as are based on getting immediate returns, such as "killing the hen in order to get her eggs" should no longer be done. In levying taxes, we should follow the general principle of "giving before taking," and "support before levying taxation," in order to develop and nurture the development of rural and small town enterprises. If leaders at all levels have a greater understanding of the whole issue, they will then be able to legislate reforms themselves in the development of rural and small town enterprises. In the end, with higher technological standards and better management control, the development of rural and small town enterprises will advance one great step through the structural readjustment and reform of rural industry.



NATIONAL

READJUSTING STRUCTURES IN DEVELOPING COMMODITY PRODUCTION

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese  
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[Text] The degree of rationality in the structure of agriculture determines and also concerns the important question of whether or not the agricultural economy in China will be able to move from self-sufficient and semi-self-sufficient production to large scale commodity production. This article is intended to provide some tentative viewpoints on evaluating the concept and rationality of the structure of agriculture and questions related to readjustments.

I. The Concept of the Structure of Agriculture and Its Internal Relationships

There now are many different viewpoints in academic and theoretical circles concerning the connotations and extensions of the concept of the structure of agriculture. Some feel that "the structure of the agricultural economy refers to the structural system among all the industries in the rural agricultural production sector, which is the structural system among agriculture, forestry, animal husbandry and fisheries for agriculture in the broader sense."<sup>1</sup> Others feel that "the content of agricultural economic structures is fairly broad.... The structure of agricultural production includes the five lines of agriculture (cropping), forestry, animal husbandry, sideline production and fisheries, as well as the relationships among grain, cotton, oil crops, fiber crops, silk, teak, sugar, vegetables, fruits, medicines and miscellaneous crops within cropping."<sup>2</sup> Others feel that "the structure of agricultural production is a three-dimensional network formed by the agricultural economic structure, technical structure, and ecological structure."<sup>3</sup> It is easy to discover that there are certain differences among these three concepts of the structure of agriculture. None of them, however reveals its essence. I would like to present some of my viewpoints concerning the concept of the structure of agriculture and its internal relationships.

A. The structure of agriculture is a multilayer and interlocking three-dimensional aggregate concept.

Marx said that "regardless of any special characteristics or social nature, economic reproductive processes in the agricultural sector are completely interwoven with the process of natural reproduction." The economic reproductive process as used here can be understood as a fundamental functional unit that is a particular agricultural economic system involving cycles of production, exchange, distribution, consumption, technology and other areas within the agricultural economic system. The process of natural reproduction can be understood as a fundamental functional unit of natural reproduction that is a particular ecological system involving energy exchange and material cycling between and within the organic and nonorganic worlds. Although ecological theories had not appeared at that time and Marx was unable to do a systematic analysis of natural reproduction of the quality that he did for economic reproduction, his incisive theories on the nature of agricultural production do provide a theoretical foundation for understanding agricultural production as well as for understanding the structure of agriculture.

We discover when using Marx's theories as a guide for understanding the structure of agriculture that the duality of agriculture gives its structure two aspects in that the structure of agriculture is first of all interwoven with the economic and ecological structures. The economic and ecological structures of agriculture are the first-order structures of agriculture and include many second-order structures. In a concrete sense, the economic structure of agriculture includes: 1) Industry structures, meaning the ratios of agriculture [cropping], forestry, animal husbandry, sideline production and fisheries. 2) Distribution structures, such as the proportion distributed to the state, collectives and individuals. 3) Exchange structures for farm products (the proportion of marketed agricultural products of all types, including import-export structures), price structures for farm products, and so on. 4) Consumption structures, such as the proportions of means of production and live labor consumed during the agricultural production process. 5) Technical structures, such as the proportions of biotechnology, physical technologies, chemical technologies and so on, the proportions of primitive technologies, traditional technologies, transitional technologies and modern technologies, and so on.<sup>5</sup> Ecological structures include: 1) Biological structures such as the structure of agricultural and forest plants (the proportions of forests, grasslands, farmland, water, orchards and other aspects within a certain area), the structure of biological communities (the proportions of animals, plants and microorganisms within a system). 2) Non-biological structures, such as soil structures (the proportion of dry land and paddy land), climatic structures (structures of moisture, light, water, air and other resources), and so on. These second-order structures also are composed of several third-order structures, such as the proportions of grain, cotton, oil-crops, fiber crops, silk, tea, sugar, vegetables, fruit, cotton, medicines and miscellaneous crops in agriculture (cropping), the proportions of industrial forests, timber forests, fuel forests, scenic forests, shelter forests and so on in forestry. These third-order structures in turn are composed

of even more numerous fourth-order structures, such as the proportion of primary grains and miscellaneous grains in grain, the proportion of organic fertilizers and inorganic fertilizers in fertilizer consumption, and so on. The structure of agriculture may be further broken down infinitely in this manner, so we can say that the structure of agriculture is a multilayer, three-dimensional interlocking aggregate concept.

B. There are intricate interrelationships among each layer and category.

The various levels and categories in the structure of agriculture exert influences on overall changes in the structure of agriculture from different angles and to different extents. They determine its final outcome and also exert mutual influences, play mutual roles and are interrelated according to certain laws, thereby forming a structure of intricate relationships. The multilayered nature of the targets of its influence, the multiplicity and diversity of its roles, and the multiple types of its forms of relationships provide a comprehensive reflection of the complexity of the internal relationships of the structure of agriculture. Some are manifested in dialectical relationships of mutual restraint, such as the restrictions that industrial structures place on changes in consumption, technical, distribution and exchange systems. Conversely, consumption, technical, distribution and exchange structures restrain changes in industrial structures. Some are manifested as mutually exclusive quantitative relationships. An increase in the area planted in industrial crops on a certain cultivated land will inevitably result in a decrease in the amount of land planted in grain crops, and vice-versa. There also are relationships of mutual dependency, mutual causality and others too numerous to mention.

C. The concept of the structure of agriculture and the significance of its relationships.

Why should we discuss the concept of an intricate structure of agriculture and the significance of its relationships?

1. A particular structure is mutually adapted to particular capabilities. Comparison of the functional size can reflect the degree of rationality in a structure. If we carry out analysis of quality, weigh quantities, evaluate essences and determine directions for the corresponding functions of each level of the structure on the basis of an accurate conception of the structure of agriculture, and re-explore the relationships among all the structures (functions), we can use numerical modeling and electronic computers to establish a scientific model for the structure of agriculture. This will enable us to use the telescope of large-scale agriculture and the microscope of each line of activity for extensive and intensive research on the structure of agriculture to provide a theoretical basis for selecting the optimum readjustment program.

2. Discussion of the concept of the structure of agriculture and its mutual interrelationships can reduce blind action and improve economic results. How can we make readjustments in the structure of cropping, for example? Most are accustomed to writing articles on the proportional relationships

within cropping or among the five major lines of activity [agriculture, forestry, animal husbandry, sideline production and fisheries]. When we clearly understand the concept of the structure of agriculture and its relationships, however, we will realize that: a) A reduction in the area planted in grain crops requires increased supplies of grain for industrial crop regions, so we must consider readjustments in distribution structures (grain distribution). b) There are relatively high costs involved in planting industrial crops, and the increased investments should consider readjustments in consumption structures (capital consumption). c) Cultivation techniques for industrial crops differ, so technical reform measures must consider readjustments in technical structures. d) Industrial crops generally have a high percentage of marketed products, so commodity production development should pay attention to readjustment of exchange structures (circulation). e) Industrial crops have different external requirements, such as the restrictions the ecological structure places on crop changes. These things must be considered before we can improve the scientific quality and foresight of readjustments.

## II. Evaluating the Rationality of the Structure of Agriculture

Evaluation of the rationality of the structure of agriculture is a pre-condition for selecting the optimum model for readjustment of the structure of agriculture as well as a tool for investigating the results of readjustments. If we fail to distinguish whether or not the structure of agriculture is suited to natural and economic laws, it of course will be impossible to make readjustments suited to the natural and economic conditions of a local area. How, then, does one evaluate the structure of agriculture? It first of all must be clear that:

### A. There is no single standard for a rational structure of agriculture.

As mentioned above, the industrial structure of agriculture is only one part of the economic structure of agriculture. For this reason, we cannot simply use the rationality of the structure of the five lines of activity (including internal proportions) as a standard for evaluating the entire structure of agriculture. Although industrial structures reflect the structure of agriculture to a certain extent, adjustments in the structure of agriculture will not achieve the intended economic results if they become separate from distribution, exchange, consumption and technical structures, sometimes to the extent of being punished by economic laws. Similarly, if we make readjustments in the economic structure of agriculture without considering ecological structures, we may not attain the intended ecological results, and may even be punished by natural laws. It can be seen that evaluation of the rationality of the structure of agriculture requires comprehensive analysis of the economic and ecological structures of agriculture if we are to be able to derive the correct conclusions.

### B. The rationality of the structure of agriculture is a relative matter.

Since the structure of agriculture is composed of the economic and ecological structures of agriculture, then differences in time and place

for each type of economic activity in the economic system of agriculture and each type of biological and non-biological process in the ecological system of agriculture determine that there will be similar differences in the structure of agriculture. The differences in economic and natural conditions during different periods or in different regions (nations) determine the similarities and differences in their structure of agriculture. That is to say, the rationality of the structure of agriculture is a relative matter. The correct conclusions concerning the rationality of the structure of agriculture must directly analyze the objective situation in a particular place and during a particular time.

C. The rationality of the structure of agriculture is a reflection of objective economic laws.

The structure of agriculture in a particular region (nation) is the overall outcome of various economic activities that develop along their own particular ecological foundation. They are formed over a long period of time, are affected by many different factors and contain complex internal relationships. This implies that it is not just something that can be willingly changed, selected and arranged by people. A rational structure of agriculture is the result of development that is mutually constrained and promoted by social, economic and natural conditions and other aspects. This is not to say that the structure of agriculture cannot be changed by man, but instead means that the changes will be effective only if we first understand natural and economic laws, use scientific attitudes to search for rational structures and use scientific methods to promote changes in the structure of agriculture. We will only commit blunders if we make readjustments without observing objective laws and instead depend on subjective assumptions.

A rational agriculture structure is not, therefore, a simple proportional relationship, and there is no firm and unchanging model for it. We certainly cannot depend on subjective assumptions. It is, instead, a comprehensive structural system that conforms to laws of the two [natural and economic], favors the benign cycles in the two, and provides the optimum results from the two. I now will summarize the situation in Hunan Province to discuss the question of how to make evaluations.

#### 1. Does it conform to objective reality?

An evaluation of the structure of agriculture must start from objective reality. The structure of agriculture as a whole should be summarized and analyzed to see if it conforms to the natural, economic and social conditions and characteristics of an area. Generally speaking, does it conform to national (or provincial) conditions? The actual situation in Hunan Province is a warm climate, ample precipitation, fertile soil, and rich experience in cultivation that are suited to the development of cropping. It has a large mountainous area, a relatively high forest cover rate (ranked sixth nationwide), abundant tree varieties and forest and sideline product resources that are suited to forestry development. Breeding has a long history in Hunan and there is sufficient feed, as well as widely distributed

grassy land and hillsides (an area of roughly 20 million mu), so it has the conditions and foundation for developing animal husbandry. There is a large area of usable fresh water that is favorable for developing fisheries. There is a large population and limited land, as well as a surplus labor force, which make major developments in sideline production possible. Such objective realities determine that the structure of agriculture in Hunan should comprehensively develop all five lines of activity together. Cropping accounted for two-thirds the gross value of agricultural output in 1981, while the other lines accounted for one-third. This industrial structure that does not conform to reality is strongly related to the guiding ideology of "regarding grain as the key factor" in the past. We should, therefore, make an effort to make readjustments in the development of breeding, industry and sideline production and of hillsides and water.

## 2. Can it fully and rationally utilize agricultural resources?

The limited nature of agricultural resources (mainly including natural and social resources) requires us to utilize them fully. Full utilization involves striving as much as is socially and economically permissible to achieve unity and coordination of the external conditions and the conditions supplied by the natural world that are needed for maximum biological growth. The inherent laws of resources demand that people use them rationally. Rational means engaging in economic activity in agriculture to the greatest possible extent under conditions of normal operation of natural reproduction and maintenance of ecological equilibrium. Hunan has extremely abundant agricultural resources, but the utilization rate is low and there is insufficient rationality (especially in renewable resources) that is most prominent in relation to hillsides and water.

Hunan has 198.75 million mu of mountainous land, 100.20 million mu or 50.4 percent of it forested (the coverage rate is 32.6 percent).<sup>6</sup> There are 30 million mu of industrial forests and 67 million mu of timber forests. Some 2,078,400 cubic meters of timber were felled in 1981, an average of 0.03 cubic meters per mu. The total value of output created in forestry in 1981 was 670 million yuan, an average of 6.7 yuan per mu (or 3.37 yuan per mu of mountainous land). This is only 47.08 percent of the average yearly value of forestry output per mu in Guangdong. Hunan had more than 50 million mu of barren hillsides at the end of 1981, including 33,666,900 mu suitable for afforestation and more than 20 million mu of grassy slopes suited to development of pasture animals, but which have a low utilization rate.

Hunan has more than 20 million mu of surface water, more than 5 million usable for aquatic breeding. The river basin that covers 7 percent of the China's total surface water area useful for breeding (75 million mu) creates only 3.98 percent of the national value of fisheries output. The amount of fresh water per capita is 1.5 times as much as the national per capita amount, but per capita amounts of aquaculture products are one-third the national per capita average (9.3 jin nationwide, 6.7 jin in Hunan). The province had 4,171,900 mu of surface water used for fish breeding in 1981 (a utilization rate of less than 80 percent). Output of aquatic products

(not including fishing) was 3,086,300 dan, equal to 74 jin per mu. The figure was 482 jin in the suburbs of Hengyang City, however, where per-mu output was relatively high, and was over 200 jin in Qidong, Qiyang, Shaoyang and Shaodong Counties, in Yiyang and Changde Cities and in the suburbs of Xiangtan City.

The utilization situation for mountainous land and water resources shows that the structure of agriculture in Hunan is irrational. Practice has told us that we can obtain the optimum economic and ecological results in material exchange with the natural world only by fully and rationally utilizing resources. Whether or not it is able to fully and rationally utilize resources is, therefore, an important standard for evaluating the rationality of the structure of agriculture.

### 3. Can it satisfy growing social demand?

Societal demand for finished products is the decisive factor that affects changes in the structure of agriculture. It matters not whether we are working from agriculture itself or from the goals of socialism. Agricultural production must conform to continual growth in its own products and societal demand. It can be stated that the conditions of adaptation of the finished products supplied by agriculture to societal demand affects the rationality of agricultural production to a substantial extent. With the exception of grain and meat, the per-capita amounts of most other major agricultural and livestock products in Hunan are below national levels, not to mention world levels (see table below). This shows that there still is a substantial distance between agricultural production and the amount of societal demand in Hunan Province.

Comparison of the Amounts of Agricultural and Animal Products Available Per Capita in Hunan, China and the World, 1981

Units: jin

Item	Hunan	China	World (1980)
Grain	809.9	657.0	815.0
Cotton	3.5	6.0	—
Plant oils	6.3	6.0	11.7
Fruits	5.0	15.7	107.0
Meat	37.1	25.5	65.0
Eggs	4.4	5.6	12.0
Milk	0.3	2.6	193.0
Aquaculture products	6.7	9.3	34.0

Source: 1981 NIAN TONGJI NIANJIAN [Statistical Yearbook, 1981] and GUOWAI NONGYE JINGJI ZILIAO [Data on Foreign Agricultural Economies]

When comparing the amount of farm products available per capita for a particular region, this does not mean that all of the farm products required

must be produced within that region. Obtaining products through exchange (bringing them in from other areas) in regions that have the conditions to produce them and where there is social demand, however, does not conform to economic and natural laws. Articles should be written concerning readjustment of industrial and exchange structures. For example: development of animal husbandry creates new demand for mixed feeds, but the primary raw material of mixed feeds--corn--is a hot item. Corn output in Hunan reached 415 million jin in 1981, but less than 100 million jin were purchased, far from satisfying demand in the feed industry. Hunan has 11.38 million mu of dry cropland and about 15 million mu of land with potential or secondary potential for development as paddy fields that can be improved through rotation of irrigated and dry crops. If 30 percent of this area is taken out and planted or interplanted with a crop of corn, and if we calculate according to the 1981 provincial average yields per mu (209 jin), then total output would reach 134 million jin. Total output would be 257 million jin if yields are raised to 400 jin per mu. Demand could be met by the end of the century if a crop of corn was planted on 50 percent of the land area described above (approximate demand would be 4 billion jin). This shows that Hunan has the conditions for self-sufficiency in corn, so the province should readjust grain structures and gradually achieve self-sufficiency.

#### 4. Is it adapted to the current levels of the forces of production?

Existing forces of production refer to the capabilities that mankind has accumulated through effective utilization and transformation of nature. This level of ability to tame nature is an indicator of the level of energy that mankind is able to obtain from nature. In the opposite sense, the amount of material and energy that mankind exacts from nature must be restricted by the level of development of the forces of production at that time. There is a very irrational tendency toward overemphasizing cropping in the structure of the agricultural labor force in Hunan. Nearly 90 percent of the total labor force involved in the five lines of activity was engaged in cropping in 1980, but only 0.54 percent of the labor force was involved in fisheries. A labor force of 16,956,000 is concentrated on a cultivated land area of 51,371,500 mu, while a labor force of only 102,600 is working on the 4.08 million mu of [surface] water area. Each laborer engaged in cropping is responsible for 3.03 mu of cultivated land, while each laborer involved in fisheries is responsible for 39.77 mu of water area. This irrational structure of the labor force has seriously affected improvements in labor productivity and economic results, and should undergo readjustment. But, how can readjustments be made? How many readjustments should there be? In every case, we are restricted by existing levels of the forces of production. First of all, we should reduce the labor force engaged in cropping and adopt the corresponding technical and managerial measures to improve work efficiency and reduce labor intensity. The labor that will be taken out also is restricted by the level of the forces of production. If they wish to engage in breeding, then they are restricted by livestock varieties, feed and capital. They are restricted by equipment, raw materials and sales outlets if they wish to enter the processing industry. If they wish to enter transport, they are restricted by tools



and sources of goods. They are restricted by material resources and markets if they enter the service industry, and so on. Any program for readjustment can be of real significance only if the corresponding conditions exist. Otherwise, it will just be idle theorizing. Although a particular readjustment may seem necessary from an economic or ecological perspective, such a readjustment could be unachievable because of the level of development of the forces of production at that time. Forestry development is an example. The slogan "wipe out barren mountains" has been proposed several times in the past. This subjective desire is undoubtedly a good one but has been restricted by the level of development of the forces of production and policy errors that have limited the area that is afforested each year and caused low survival and maturation rates. Hunan afforested a total of 50,514,200 mu between 1949 and 1980 but actually preserved 38,515,500 mu, a preservation rate of 76 percent. The maturation rate was even lower. Today, there still are 33,656,900 mu of barren hillsides suited to afforestation, equal to 87.41 percent of the preserved afforested area over 30 years. Besides policy errors, the primary problem lies in the failure of the forces of production to keep pace. This means that we definitely must consider the level of development of the forces of production when we are making readjustments in the structure of agriculture.

### III. Some Issues in the Readjustment of the Structure of Agriculture

There are many questions that deserve attention when we use evaluation of the structure of agriculture as a basis for the implementation of measures for translating a chosen structural program into reality.

#### A. There should be a comprehensive perspective.

The results of agricultural development over a long period in a particular region have formed a certain unique structure. For this reason, local structural adjustments must serve the interests of the overall situation. The overall structure would be destroyed if each locality followed its own policy, which would in turn affect the locality. "When a bird's nest is overturned, no egg can remain intact." This is especially important in China's socialist planned economy, where we must make full use of local advantages while serving overall interests. Readjustment of local structures should be done according to a prerequisite of guaranteeing the rationality of the overall structure. An example is flue-cured tobacco production. Experts have predicted that total national output should be held below 2.5 billion jin prior to 1985, so the State Planning Commission has restricted the area sown. Flue-cured tobacco production has developed rapidly in Hunan in recent years. Total output grew from 196,200 dan in 1973 to 1.512 million dan in 1981, an average annual rate of increase of 29.1 percent and a tripling over 8 years. Hunan leapt to fifth place nationwide in total output, second only to the four old major tobacco regions (Sichuan, Henan, Shandong and Guizhou). During formulation of the Sixth 5-Year Plan, some people felt that flue-cured tobacco was one of Hunan's strongest points and called for a major development effort. This proposal was feasible from the perspective of economic and natural conditions, but was not good from the overall perspective. This makes macro-level

analysis of industrial, circulation, distribution, consumption and other structures essential when we are encouraging local economic advantages. We cannot affect the overall situation because of local or transitory interests.

B. We must deal with methods.

During readjustment of the structure of agriculture, the different routes, methods and measures in a readjustment program will lead to different results from the readjustment. The irrationality of the current structure of food products in China requires readjustment of the ratio of grain production to meat, eggs, milk and poultry production. There are at least three methods for readjustment of this type of industrial structure: 1) Using land utilization, labor allocation, capital inputs, product price ratios, technical measures and other means to make a transition from a grain production system to a livestock production system. This involves methods that directly reduce grain production to increase livestock production, and is called the direct method. 2) Combining stabilization of current grain production with major efforts to develop animal husbandry and relying on much larger amounts of livestock products to increase the relative proportion of animal products among food products, this is called the relative method. 3) Combining stabilization of current grain production with readjustment of the internal structure of grain and increased feed production, and using large amounts of feed grains for major development of animal husbandry. This can be called the indirect method. Results are seen quickly with the direct method, but there easily can be total failures if not done well. The relative method is steady but has a slow pace of readjustment. Results are not obvious and it often cannot satisfy increasing demand. The indirect method uses the strong points of the first two methods, and is a more ideal method. For this reason, we should pay attention to survey research and repeated comparative analysis in practice to obtain the best results from readjustment by selecting the most rational paths, most appropriate methods and most effective measures.

C. They should be positive and reliable.

The different material and social attributes of agricultural production make it subject to restriction by natural and economic laws that cannot be changed by the will of men. Changes in the structure of agriculture have the same quality. The relative rationality of the structure of agriculture makes frequent structural changes inevitable. It can be stated that the structure of agriculture at any moment is undergoing changes according to natural and economic laws that cannot be changed by the will of men. Man-made readjustments merely play a role in restraining or promoting these spontaneous changes, which tells us that readjustments in any structure at any time cannot be impetuous. There are many lessons from "haste makes waste" in China's agricultural development and they must be remembered.

D. We must grasp essences.

It often is impossible for us to prepare for all phenomena in the natural and economic realms. Many complex phenomena are greatly different from

their essence, while other phenomena (false phenomena) do not reflect the essence of the thing. We must penetrate phenomena and grasp their essence when making readjustments in the structure of agriculture and it is extremely important that we advance preparedly. Successive years of bumper grain harvests in China have led to the phenomenon of "difficulties in selling grain" in some places, which has caused further symptoms of excessive cutbacks in the area planted in grain. It is a fact that there is a slight surplus of grain in some areas, but China as a whole does not have a grain surplus. We must be cautious in deciding whether or not to reduce the area planted in grain in order to develop other crops. The successive bumper grain harvests in recent years basically have solved the food question. It must be emphasized, however, that we must prepare ideologically for years of failure. We definitely cannot neglect grain production for a fairly long time to come. Active development of the diversified economy cannot rely excessively on reductions in the area planted in grain. Moreover, there should be concrete analysis of the "difficulties in selling grain." Are they due to a failure of purchasing, shipping and storage work in grain departments to keep pace? Are the price ratios between grain and other farm products rational? Are there still articles that can be written on paths for processing grain and turning it into meat? If an area suitable for grain production produces more grain, then why shouldn't it make use of this advantage instead of giving up a long-term advantage for a short-term one? "Difficulty in selling grain" is not the same as a "grain surplus." We must not become confused because of this phenomenon that does not reveal its essence. We cannot leap out of the circle of "taking grain as the key factor" and go to another extreme.

#### FOOTNOTES

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NATIONAL.

## CULTIVATION OF VIRGIN LAND DISCUSSED

Beijing GUANGMING RIBAO in Chinese 27 Dec 84 p 2

[Article: "Departments Concerned Confirm Finding That 500 Million Mu of Virgin Land in China Can Be Brought Under Cultivation: Based on a Cultivation-to-Use Coefficient of 60 Percent, This Nets to 300 Million Mu of Arable Land, Better Than One-Fifth of China's Current Arable Land Area"]

[Text] Ever since liberation, there have been surveys, analyses, and research on the question of wilderness areas suitable for cultivation, first by the Wilderness Projection and Planning Institute of the Agricultural Reclamation Ministry and then by the various inspection teams of the Joint Inspection Commission on Natural Resources of the Chinese Academy of Sciences and numerous studies by farm reclamation departments at the provincial (regional) level--especially the recent studies in Heilongjiang, Xinjiang, and Gansu. These have confirmed that China still has 23 tracts of wilderness suitable for cultivation amounting to 500 million mu. Of this area, 200 million mu, or 40 percent, is located in the northern grazing region which would be suitable for the establishment of manmade feed grass and feed producing bases; 20 percent is located in the hilly regions of the south, which would be suitable for development of cash crop orchards; the remaining 40 percent--some 200 million mu--might be used for grain or cash-crop development.

At a cultivation-to-use coefficient of 60 percent, the net arable land would amount to over 300 million mu, which is more than 20 percent of China's current arable land. This will be of strategic significance in ameliorating the clash between China's growing population and shrinking farmland, changing the setup of current farm areas, and accelerating economic development of remote regions. From the standpoint of the amount, quality, and development conditions of these resources, the short-run development focus is on the Heilongjiang region and the eastern part of Hulunbei'ermeng in Nei Monggol, which may prove to be bases for large-scale production of commodity grain and soybeans of national significance. Also, in the southern and seacoast regions, reclamation is taking place in a dispersed fashion, increasing arable land in local areas, which also has the potential for good economic results.

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NATIONAL

#### TURNING GRAIN INTO LIVESTOCK PRODUCTS URGED

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL PRODUCTION TECHNOLOGY]  
in Chinese No 11, Nov 84 pp 1-6

[Article by Li Yifang [2621 2496 2455] and Zhu Jiliang [2612 4746 5328],  
of the Animal Husbandry Bureau, the Ministry of Agriculture, Animal Husbandry  
and Fishery: "On Promoting Transformation of Grain Into Livestock Products"]

[Text] Some time ago, everyone tried to figure out how agricultural output value can be doubled and redoubled and how much our per capita meat, egg and milk output can be by the end of the century. Recently everyone has been worrying about what to do with a surplus of grain output and is looking for a way out in developing the livestock industry in order to further promote all-round agricultural growth and bring about greater economic prosperity of the country as a whole. It is a turning point, an unprecedentedly great opportunity for the vigorous development of animal husbandry in our country.

#### General Trend, Bright Prospects

With the reform of the structures of agriculture and industry, the place and role of animal husbandry in the national economy are becoming more and more important. If we want to double and redouble agricultural output, we must vigorously develop animal husbandry. If the people in urban and rural areas want to further improve their living standards and build up their physique, they must rely on animal husbandry for continuous supplies of meat, eggs, milk and furs. The livestock industry can also directly accumulate large sums of money for the state each year. Therefore, we say, speeding up the development of animal husbandry and vigorously accelerating the transformation of grain into feed and feed into livestock indeed are the trend of the times and a task of top priority.

In regard to long-range plans on developing animal husbandry toward the end of the century, people have repeatedly studied and discussed two central questions--whether it is possible to quadruple output value of animal husbandry and how much our per capita output and consumption of meat, eggs, milk and other livestock products will be. As far as rate of increase is concerned, the output value of animal husbandry increased at an annual rate of 6.4 percent in the 31 years between 1949 and 1980, and at an annual rate of 7.6 percent in the past 3 years. We think that based on present

conditions, at an annual growth of 7.2 percent for the next 10 years and more, the output value of animal husbandry can be quadrupled by the year 2000.

In developing animal husbandry, people are most concerned about the balance between feed and livestock, which is mainly a question of whether there is enough grain to be used for feed. In the past few years, China used about 130-140 billion jin of grain for feed each year. It now seems that with improvement in grain output, from now on it will be possible for us to set aside 300-400 billion jin of feed grain plus 80-90 billion jin of bran and some 30 billion jin of soybean and rice dregs each year. This means 400-500 billion jin of concentrated feed each year. The goal of a per capita output of more than 50 jin of meat, more milk and 20-30 jin of eggs by the year 2000 is not only achievable but can be surpassed.

### Emancipation From Ideological Shackles

To encourage the transformation of large quantities of grain into livestock products, it is necessary to carry out a series of corresponding changes and solve a series of problems in thinking and understanding, principles and policies, management systems and technical measures. First we must consciously untie our thinking, and then we can move forward freely.

1. We must emancipate our minds from "two fears". One is a lingering fear of grain shortage, a fear that there is limited land and too many people, unbelieving that much grain can be used as feed. The other is fear that there is no use for too much grain and no market for too much livestock production. Facts have proven and will continue to prove that these worries can be dispelled by hard work. The country's total grain output was 774.5 billion jin in 1983. In a few years, it may increase to 1 trillion jin. To feed 1 to 1.2 billion people, 500 billion jin of grain will be enough. After meeting food and processing needs, we will have 300-400 billion jin of grain for feed. In addition, we can grow grass and develop the feed industry. Our animal and poultry products will double and redouble. In provinces like Henan and Jilin, where there is now a large surplus of grain, it is urgently necessary to put the surplus to use by developing animal husbandry, food processing or exports. But the most important way out is to guide the "surplus grain" toward transforming into livestock products. To be sure, turning surplus grain into livestock products is by no means easy, but requires hard, painstaking work. This is especially true in opening up new markets. It is necessary to constantly and closely follow and study the changing market conditions at home and abroad, note the signs of change and foresee future developments in order to give guidance to production of items that are in demand and avoid unexpected major ups and downs.

2. We must emancipate ourselves from the viewpoint of restricting consumption. Things were scarce in the past. They are not plentiful today either. But, relatively speaking, they are more plentiful now than before. It is necessary that some restrictive practices and arguments on consumption be changed in the system and public opinion. When the commodity economy was still undeveloped in our country, appropriate restrictions on consumption did play a role. As commodities increase, the ration system will be gradually

replaced by free choices. After meeting basic food and clothing needs, the people will want to be better fed and clothed. Clothes were "new for 3 years, old for 3 more years and mended and patched for yet another 3 years." That way of life will be replaced by a rich and colorful new way of life. We should notice this changing trend, publicize it and adapt ourselves to it. Production stimulates consumption, and consumption promotes production. This is an objective law governing the development of things. Neither should be overemphasized at the expense of the other.

3. We must emancipate our minds from the narrow viewpoint that agriculture and animal husbandry are opposed to each other. Agriculture, forestry and animal husbandry are linked and mutually complementing and promoting. Not a single one of the three can be dispensed with. This has been said, but not much has really been done. This involves both ideological and policy problems, but to a rather large extent it is a problem of thinking and understanding, and a problem of thinking and understanding of cadres. With increased understanding, things will become easy. For example, in the past few years, some places have contracted households to manage mountain forests and grasslands and to develop barren hills and slopes into miniature river basins, and the results are excellent. In these places, after signing contracts, the peasants generally have planted both grass and trees, closed and opened the land to grazing rotationally, combined feeding with cultivating and built small patches of fields with high, stable yields, truly combining farming, forestry and animal husbandry. The combined operations complement each other and quickly show results. As the successful experiences are being popularized, a really new situation--in which farming, forestry and animal husbandry are organically combined, complementing each other and existing and prospering together--will take shape in more places, and all-round development of agriculture, forestry, animal husbandry, fishery and sideline occupations will be accelerated.

#### Ten Foreseeable Major Developments

Under the guidance of the policy of invigorating the domestic economy and opening to the outside world, the price system, management system and other matters which have a bearing on the development of animal husbandry will undergo appropriate reforms so that they will help bring greater, faster and better results in turning grain into livestock products and promote the development of a livestock commodity economy. The reforms will involve the entire process of the modernization of animal husbandry in our country and many other fields. It is foreseeable that tremendous developments will take place in the following areas.

1. The feed industry will lead the way in growth, adaptable and varied in forms and spreading in urban and rural areas all over the country. The feed industry is the pillar for developing modern animal husbandry. To change the backwardness of our traditional animal husbandry and increase its economic returns, it is necessary to step up the development of the feed industry and popularize the use of mixed feed. It is estimated that by the end of the century, the total output of compound and mixed feed may reach more than 100 million tons, basically ending the practice of

using any single feed that is available. In view of the fact that poultry and livestock raising and feed resources are both rather scattered in our country, and that the situation is not likely to change for a rather long time to come, development of the feed industry must follow the principle of combining centralization and decentralization and simultaneous development of large, medium-sized and small factories with emphasis on small ones. For production of additives such as methionine lysine and vitamins, full-value compound feed for use by factory-like chicken farms in urban areas, premixed feed and high-quality, large-size concentrate feed, which require large initial investment in capital construction and relatively high production technology, it is better to pool our resources to build larger plants at selected locations. For production of ordinary compound feed or simple mixed feed and of feed additives which require comparatively simple production technology, it is better to build small plants to produce locally with local materials for local users. Leftover bits and pieces from factories should be used to produce powdered blood, meat and bone, feather and silkworm chrysalis. Existing veterinary medicine factories should tap potentials and renovate to produce growth accelerators, vermicides, trace elements and other additives. Small feed factories should mainly be run by the localities. Village and township enterprises, veterinary stations and specialized households can all be engaged in production of additives, and feed quality can be guaranteed through competition and strengthened inspection. Because the feed industry is weak in our country, and production is limited both in variety and quantity, it is unrealistic to wait for production of compound feed before going all out to develop animal husbandry. While using grain to feed livestock and poultry, we should actively promote "using bean cake and rice dregs as feed and the resulting manure as fertilizer" and popularize methods to detoxify cotton and rape seed cakes and control their proportions for feed purposes, to solve the problem of protein deficiency. In this way each year 20-30 billion jin of cakes and dregs of different kinds can be transformed into several million tons of meat, eggs and milk locally or in nearby areas. It is a tradition in our rural areas to feed hogs and cattle with dregs from the processing of flour, bean curd and wine-making, with good results at low cost. The "four mills" in rural areas are China's traditional small food and feed processing plants. They are suited to the production and living habits of our rural people and certainly will see extensive growth as grain output greatly increases. Within a number of years, the proportion of livestock and poultry fed with unprocessed food grains will remain very high, and it is necessary to strengthen technical guidance for peasants to improve the traditional method of livestock raising so that they too will receive greater economic benefits.

2. Crop distribution will be readjusted to increase acreage of high-yield and high-quality feed crops, and great efforts will be made to develop artificially sown pastures and silage. Developing animal husbandry requires not only grain and concentrated feed but green feed, roughage and grass. Readjusting crop distribution and rationally arranging the acreage of forage grass and feed crops are a shortcut to increase production of forage grass and feed crops and successfully transforming grain into livestock products. For example, 1 mu of land planted to wheat will yield 600 jin of wheat and 600 jin of grass, containing up to 60 jin of crude protein and 420 jin



of starch. If the same mu of land is planted to barley as needed and mixed with legume, it will yield around 4,000 jin of green forage, which contains 300 jin of crude protein and 500 jin of starch. In south China, hogs are fed with paddy rice, which is a waste. It is more economical to grow some corn or tuber crops for feed where conditions are suitable. The advantages and potentialities are even greater to increase forage grass and feed crops output by rotation of grain crops and grass or intercropping and interplanting. The scientific principles involved will be understood by more and more people, and we believe that it is entirely possible in 10 years or so to set aside 200 million mu of farmland for rotational cropping of alfalfa, redtop grass and other superior forage grasses in the northwest, north and northeast regions. Through experiments and demonstrations and construction of superior forage grass seeds propagation bases, we have accumulated experiences in developing large-area artificially sown pastures and silage and have found suitable grass seeds for different localities. At present, we are producing 40 million jin of grass seeds each year. Nearly 20 million mu of improved pastures were seeded in 1983, bringing the total to 50 million mu. In 1984, 2.3 million mu of pastureland were seeded by airplanes, and the total aerial-seeded area may have reached 6.5 million mu. We have already established 34 10,000-mu demonstration pastures in 22 provinces, which have accumulated new experiences in grass growing and livestock keeping. Simple silage methods are being popularized in rural areas and semi-farming and semi-pastoral regions. In 1983, nearly 10 billion jin of sweet potato vine were silaged in Sichuan Province alone, and more than 200 million jin of corn stalks were silaged in Horqin Left Wing Rear Banner, Nei Monggol. The "Grassland Law" will soon be promulgated. With the simultaneous institution of the herd management and pasture management responsibility systems, there will be a new upsurge in the enthusiasm of the masses of peasants and herdsmen of various nationalities to build enclosures and grow forage grass. With the vigorous efforts of the people of all nationalities, it is possible for us to seed and improve a total of 100 million mu of pastures before 1985, 300 million mu during the Seventh 5-Year Plan, and 500 million mu by the end of the century. By implementing the principle of comprehensive harnessing of resources, rotation of grain and grass crops, planting both trees and grass, building reservoirs and taming hills and slopes, the day is in sight when deserts retreat and the Huanghe becomes clear. The development and rational utilization of grassy hills and slopes in the south and deserts and grasslands in the north where annual rainfall is under 200 millimeters should become subjects of scientific studies to be pursued continuously and systematically.

3. The dairy industry will continue to grow in both quality and range of production at a fairly rapid pace according to local conditions. Since the 3d Plenary Session of the 11th Party Central Committee, the fastest growing has been the dairy industry. Total production of cow and goat milk was 4.4 billion jin in 1983, a 128 percent increase over 1978. The number of superior and improved breeds of milch cows was 950,000 in 1983, double that of 1978, an annual increase of 15 percent. The number of milch goats increased from 1.2 million to 3 million, and goat milk output from 170 million jin to 840 million jin, over the same period, an increase of 100 percent and 300 percent, respectively. While urban fresh milk supplies increased,

production of dairy products also rose rapidly. In 1983, goat milk products totalled 23,000 tons, a 300 percent increase over 1978. Though growth has been fairly fast, the industry had a very low starting point, and the present per capita output of cow and goat milk in our country is only 4.3 jin. In many cities the shortage in fresh milk supplies has not been eased. In rural areas demands for dairy products are obviously on the increase. The lack of variety, sometimes poor quality and high cost have an adverse effect on sales. In future development of the dairy industry, we should continue to implement the principle of raising both milk cows and milk goats, simultaneous multiplication and improvement, equal emphases on quality and quantity, suiting measures to local conditions, appropriate concentration, combining urban and rural areas and paying attention to both fresh milk sales and processed dairy products; build up production bases in a well-planned way; and establish a rationally arranged milk processing, storage, transportation and marketing system; so that the dairy industry in our country will maintain its momentum to grow rapidly and make still greater contributions to enlivening the market, making the country rich and bringing benefits to the people and improving the people's physical health. In developed countries, the per capita milk output is generally several hundred kilograms, and there is a wide range of dairy products available. India, known as a "vegetarian" nation, still has a per capita milk output of 90 jin. Pakistan has a per capita milk output of 90 kilograms. They have achieved this level by using foreign capital to import technology and carry out a "white revolution" over the past 10-20 years. Our system is superior to theirs, and our resources are plentiful. If we also devote 10 to 20 years to achieving the goal of raising an average of one milch cow and one milch goat for every 100 people, it is then possible to increase our per capita consumption of milk to as much as 100 jin each year.

4. The raising of cattle and sheep for fattening will develop step by step as urban and rural people's consumption level goes up. In the past, the purchase prices for cattle and sheep were too low, and feed conditions were poor in our country. As a result, cattle and sheep were not fast increasing. Even meat from aging and emaciated cattle was scarce. Good beef and fat lamb are often unobtainable. Now the state has formally announced that beef cattle and meat sheep will no longer be purchased by the state, and from now on their growth will be encouraged through market regulation. Although cattle and sheep are herbivorous animals, they still need supplemental concentrated feed in the winter-spring period when pastures wither and during the fattening stage. It is best to use a proper proportion of compound feed to shorten the fattening period and increase the fattening rate and to meet the different demands for high, medium or low grades of meat in domestic and foreign markets. The rural tradition of keeping meat cattle and sheep should be revived and helped with modern scientific and technical guidance. The practice of moving cattle and sheep from one place to another to fatten can give full play to the advantages of seasonal animal husbandry in the pastoral areas and the more abundant forage grass and feed in the agricultural areas. With enlivened markets and increased purchasing power of the people, this kind of large-scale integration of farming and animal husbandry will prosper in more and more areas, and the problems of supply and marketing of high-grade beef and mutton will be readily solved.

5. Chicken breeding will develop step by step as intensive operations in suburban areas and production bases. The return from feed is higher for chicken breeding, and as intensive breeding methods are easy to adopt, the cost of chicken breeding is low. The percent of protein in feed that can be turned into protein for human consumption by different livestock is: milk cow, 25 percent; meat chicken, 23 percent; layer chicken, 22 percent; hog, 14 percent; and meat cattle and sheep, 4 percent. When a good job is done, 2 jin or a little more of mixed feed can become 1 jin of meat chicken (weighed live). It is suitable to raise chicken on a large scale in suburban areas or within a certain radius around slaughterhouses and processing factories. In 7 to 8 weeks, chickens can grow to 1.8-2 kilograms and be slaughtered wholesale. After the chicken coops are cleaned and disinfected, whole batches of young birds can be brought in. A chicken house that can hold 2,000 chickens will be able to raise five times that number or 10,000 chickens each year (minus losses of young birds), and at an average profit of 0.5 yuan per chicken it will mean a total annual profit of 5,000 yuan. With a 5,000-capacity chicken house, 25,000 chickens can be raised each year at an average profit of 0.4 yuan per chicken, and the annual profit will be 10,000 yuan. With well-organized socialized services such as supplies of young chickens and feed, disease prevention, marketing and so forth, one able-bodied person is able to take care of 10,000 to 20,000 chickens. So it is not difficult for a chicken-raising household to make 10,000 yuan a year. At present, chickens are raised in large numbers mainly in Guangdong, followed by Beijing and a number of chicken export bases formerly operated by foreign trade departments. In future, with increasing market demands, chicken breeding will be the first to grow in the open ports and large and medium-sized cities. Marketed as dressed whole chickens or parts to suit improved cooking methods, this is a modern breeding industry with a great future, characterized by small profit but quick turnover.

6. With rational readjustment of the management system and price structure, there will be new development in raising lean-meat hogs. Large Yorkshires, Long Whites, Durocs, Hampshires and other superior breeds of lean-meat hogs have been imported for many years, and several commercial crossbreeding combinations have proved fairly successful. The proportion of lean meat in endemic hogs in our country is generally under 40 percent. The lean meat in double-crossbred hogs may reach 50 percent, and that in triple-crossbred hogs may reach 55 percent. The problem is the slow progress of popularization of hybrid hogs, and the phenomena of backcrossing and random crossing is also serious. It is mainly because lean-meat hogs require more protein in their feed and thus cost more to raise, plus the fact that the present purchase price is too low, that the peasants find it unprofitable and are unwilling to raise lean-meat hogs. That is why popularization efforts have not worked. In the future, if we can improve the management system to reduce intermediate expenses, widen the purchase and selling price differences between fat and lean meat and encourage the marketing of fresh pork for consumers to choose freely, so that the peasants can really see that it is more profitable to raise lean-meat hogs than ordinary fat hogs, the numbers of lean-meat hogs will increase more rapidly, taking full advantage of increased grain output. The call--"superior foreign boars, purebred sows, first generation commercial crossbreeding and artificial

insemination"--which has been heard for many years will no longer remain mere words, and scientific hog raising will become more and more popular. Hogs breed much faster than cattle. If we work hard for it, the proportion of lean-meat hogs may reach as high as about one-half of all hogs slaughtered by the end of the century. The total number of hogs in stock nationwide should be kept at around 300 million. The main effort should be aimed at increasing the percentage of hogs slaughtered and the percent of lean-meat hogs.

7. The processing of various kinds of livestock products will become a fast-growing industry. One major factor hampering the development of animal husbandry in our country is the lack of processing capacity for livestock products. It is a sign of strong influence of natural economy or of an undeveloped commodity economy. According to foreign experience, to develop modern animal husbandry, it is necessary to pay close attention to developing two major industries--feed industry and livestock products processing industry, food processing in particular. Our present livestock production and people's living standard and consumption level are all rather low. Therefore, when production increases a little, we tend to worry about "selling problems", and when production drops, we begin to worry about "shortages". Circulation difficulties are a factor, to be sure, but the lack of a well-developed livestock products processing industry is also an important reason. At present, except for the woolen textile industry, our animal husbandry basically is limited to producing and selling raw materials. There is very little processing. Some simple processing does exist, but products lack variety and cannot meet consumer demands. Unless these problems are solved, there will be little room for animal husbandry to develop, and the scope of transforming grain into livestock products will be limited. In the future, we should pay attention to restoring brand-name and special flavor products and to developing popular fast food and children's food using livestock products as the main ingredients. We should also develop new products and improve packing and packaging. The traditional way of operations with a store in front and factory in the backyard will be born again in the food processing industry.

Goatskin, wool, camel's hair, yak's hair, rabbit's hair and many other livestock products which can be used as high-grade clothing materials are not getting what they are worth if sold as raw materials. Domestic demand for furs and leatherwear is increasing. New products have been developed with imported advanced technology, and more will be developed in future.

8. The development of specialized households and villages has just begun. Specialized households in animal husbandry are developing very rapidly in various parts of the country, especially chicken-raising and dairy-farming households. The trends of future development will be: First, to suit favorable local conditions with respect to resources, products and market, development will have distinctive local characteristics. For example, households specializing in raising hogs, poultry, bees and fattening cattle and sheep will develop in grain-producing areas; households specializing in raising cattle, sheep and rabbits will develop in areas with abundant forage grass; and households specializing in dairy cattle, egg chickens,

meat chickens and lean-meat hogs will develop in suburban areas. Second, large specialized households and specialized villages will begin to appear in places where specialized households were set up earlier than in other places and have grown in number. This will create favorable conditions for improving breeding techniques, increasing labor productivity and facilitating product collection, storage, transport and processing. Third, on the basis of specialization in livestock keeping, the tendency is toward division of labor and trades. For example, there will be households specializing in hatching eggs, livestock breeding, disease prevention and control, transport and marketing of products, and so forth. It may be a spontaneous move toward a division of labor and trades, or a voluntary formation of an economic association under which labor and trades are divided among participants, or acceptance of commission by a large enterprise to act as its purchase or sales agent. Fourth, some households will want to continue their land contracts and engage in both farming and animal husbandry, and others will ask to end their land contracts or contract for less land in order to concentrate their efforts on specialized occupations. With intensified development of specialization and socialization, the latter tendency will be the dominating factor.

Those engaged in animal husbandry and economic work should pay attention to studying the question of the specialized households' scale of operation and economic returns--how many dairy cattle, milk goats, egg chickens or meat chickens should be raised under what conditions for best results --to guide the specialized households's development. They should also organize social forces to help the specialized households grow by providing them with superior breeds of livestock, machinery and equipment.

9. Integrated production, processing and marketing operations will gain dominance in many fields. Integration on the basis of specialization for better cooperation and greater ability to compete for market--this is a trend of modern enterprise development. In this respect, capitalist and socialist societies are rather similar. However, in a capitalist society competition is the dominating aspect, while in a socialist society cooperation is the dominating aspect. Enterprises combining animal husbandry, industry and commerce and integrating production, processing and marketing operations have grown rapidly in China in the past few years and are beginning to appear in large cities, special economic zones, livestock production bases and some rural areas where the commodity economy is well developed. These enterprises have made initial contributions to easing shortages in supplies of eggs, dairy products, high-grade beef and other food items, increasing income for peasants and herdsmen and expanding revenue sources for the state. In the future, this kind of interdepartmental, transregional and intertrade combinations of diverse economic operations will continue to emerge in large numbers and varied forms. These integrated operations, which incorporate various phases of specialized or combined livestock production, processing and marketing with emphasis on improving product quality by popularizing advanced technology and processes, have tremendous vigor and vitality.

10. Technical training and consultation services will become widely popular. Modern animal husbandry cannot be without science. Science is needed in

scientific livestock breeding, scientific grass planting, scientific management and so on and so forth. Specialized households must learn and apply science. Technical cadres who work under contract must all the more skillfully grasp science and technology. We must learn what we do not know and renew what we have learned. Popularization requires science, and even more so does upgrading. Therefore, technical training and consultation services are widely popular, and the rewards from investment in intellectual development are being recognized by more and more people. Reading materials and lectures on popular science which can be easily understood and learned by the masses will develop rapidly in the near future. Short-term professional training and advanced studies are absolutely necessary for in-service cadres and will be conducted in a planned way by groups and stages.

Livestock insurance and combined technical services, varied in forms and substance, will develop widely in all parts of the country. People will be willing to pay good prices for market information and technical services.

#### Rely on Economic Levers, Depend on Our Own Efforts

One important aspect of the superiority of a socialist society over a capitalist society is that the former practices a planned economy. Without a planned economy, it is impossible to achieve planned and proportionate development. However, practical experiences at home and abroad have also proved that in agriculture and animal husbandry--which are restricted in many ways by natural factors, involve very complicated conditions and are more scattered--it seems inadvisable to rely too much on mandatory planning. Instead, we should use more guidance planning to achieve a relative balance between production and supply by such economic means as price, taxation, credit and subsidies and by properly expanding the regulating role of the market.

The livestock industry will need large sums of money to expand reproduction. When the state is still facing financial difficulties, we must put the stress on letting the masses rely on their own efforts. To the extent possible we should mobilize the masses to do what they can do on their own. What cannot be done by an individual household can be done jointly by more households on a voluntary basis. State livestock breeding farms should also institute the system of contracted responsibilities with remuneration linked to output. Other enterprises and establishments must also effectively change the condition of "eating from the same bit pot". State capital construction investments or loans should be focused on key enterprises and establishments, and not distributed among all construction projects. Repayable investments, development loans and discount loans, extended in support of enterprises with relatively long production and construction cycles and good economic returns, are of greater positive significance and can produce better results than making free investments or granting relief funds. Experience has been gained by some localities and departments and should be popularized. The question of transforming grain involves a wide range of problems, and we still do not quite understand a number of them. So our analysis is not thorough and precise, and it is put forward only for public discussion.

NATIONAL

# SHEEP PRODUCTION DROPPED, MEASURES PROPOSED IN REPORT

Beijing ZHONGGUO NONGMIN BAO in Chinese 30 Dec 84 p 2

[Article: "Government Reports on Sheep Production Wool Quality"]

[Text] On 29 November the State Council approved and conveyed a report from the Ministry of Agriculture, Animal Husbandry and Fishery on "The Problems of Developing Sheep Production and Raising Wool Quality" to ask all provinces, autonomous regions, people's governments of municipalities directly under the central government and the departments concerned of the State Council to execute and act in accordance with the report.

The report of the Ministry of Agriculture, Animal Husbandry and Fishery states that sheep production in the whole country in the past 2 years has tended to drop. According to the accumulated total of 2 years, the number of sheep has decreased by 20.78 million heads. Wool output value and semi-fine wool, which is in serious shortage for use in the textile industry, dropped 4.4 percent and 8.9 percent, respectively, in the last year compared with the levels of the year before last.

With regard to the problems of developing sheep production and raising wool quality, the report made the following propositions:

1. To develop sheep production in line with local conditions. In the plains area, the need for grazing, forage grass and fodder must be considered: wasteland, grassland or small plots of land by the side of houses, roads, ponds, etc. should be assigned properly to the producers. The mountain area will be divided into forest slopes and herding slopes, leaving out the pastures and the herding paths; the protection of young growth and the grown forest for rotation grazing will be carried out under planning so that the considerations will be given to both grazing and of forestation. The grazing area should stress the implementation of the right of ownership and the right of use.

2. To continue to be closely involved in the improvement of breeds of sheep. It is necessary to change the present condition of Chinese-bred fine-wool sheep, semi-fine wool and wools that are too short or too fine and to change the low net wool production rate. The technique of artificial insemination

for sheep must be popularized, so it is important to develop fully the function of good male breeding sheep. We must work hard to achieve the purpose of having about half of the total number of sheep to be good-quality wool sheep in 1990.

3. To strengthen the construction of the sheep-breeding base. It is important to choose a place with a better foundation and a stronger technical force in accordance with the demand of division into districts and to establish 100 county bases and 50 county bases for fine-wool sheep and semi fine-wool sheep, respectively, as well as 20 county bases each for the good-quality coarse-wool sheep and down sheep. It is necessary to take the sheep-breeding farm and the animal and husbandry veterinary station as the key to building a service system for sheep before and after giving birth. The sheep-breeding country base should be built by stages and in groups within 5 years.

4. This is the economic policy to adjust wool production and the use of Chinese breeding sheep, to enhance the principle of good prices for good wool quality and also to practice the method of purchasing in accordance with the net production rate of wool.

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NATIONAL

# MINISTRY OF TEXTILE INDUSTRY GIVES 1985 PRODUCTION INFORMATION

Beijing JINGJI RIBAO in Chinese 25 Dec 84 p 1

[Article: "Marketing Volume of Rural Area Textile Products May See Moderate Rise"]

[Text] After the Ministry of Textile Industry made investigations of some of the supply and marketing cooperatives in the provinces of Liaoning, Shanxi, Sichuan, Henan and Hebei as well as the country fairs, a great number of rural individual operators and more than 3,500 peasant households, it was estimated that the marketing volume of rural area textile products in all China will see a moderate rise in 1985.

This calculation was based on the data of marketing volume in a typical investigation that in 1984, in the 13 categories of products such as pure cotton, polyester fibre, chemical fibre, wool fabric, etc. The marketing volume of 6 categories was less than that of the previous year whereas there was a slight increase in the marketing volume of the other 7 categories. According to the total calculation of various categories of materials, the marketing volume of rural area textile products this year will be 16 percent less than that of last year. But a calculation based on the data of the demand volume shown in the same typical investigation shows that in 1985, the marketing volume of all 13 categories of products tends to increase considerably.

The drop in the marketing volume of textile products in the rural area this year is mainly due to the 1983 change in product price. The causes of the rising tendency in 1985, besides the helpful fact that the supply and demand relationship has returned to normal, are the following: the rural economical reform has caused a continuous increase in the peasants' income; the peasants' direction of investment with their money has turned gradually from the purchase of the means of agricultural production to the purchase of the means of livelihood which includes textile products; and the increasingly brisk rural commerce will lead textile product sales through unblocked channels to encourage the peasants to be textile products consumers.

The results of the investigation of the Ministry of Textile Industry have also shown that the rural area's demand for textile products has recently

been characterized by practicality, and they want good products with reasonable prices. Due to differences in the consumers' level of income and the consumption habits of different localities, the characteristics of the consumers' demands are different. The outstanding problem at present is that the color and design of various textile products are unmarketable. According to the statistics of eight counties in Shanxi Province, the unmarketable goods are over 23 percent of all the varieties.

Therefore, the Economic Research Center of the Ministry of Textile Industry has supplied the information on production for the four major categories of textile products for reference by the factories concerned:

Pure cotton material: stress should be put on clothing material with various designs and colors, material for ornamental purposes, bedding material, clothing material for children and material for underwear and productive purposes. Varieties of designs and colors should be complete and renovated continuously.

Chemical fabrics and blended fabrics; the varieties should have a thin quality, a medium quality and a thick quality in coordination but with the thin variety as the major one. It is necessary to manufacture mainly the clothing material with the material for ornamental purposes as a subsidiary. The chemical fiber is mainly used for outer garments. Much needed is the various fine- and thin-woven fabrics which are over 50 percent of the polyester fibers. The medium and thick varieties in polyester fibers and polyester khakis are the most popular among the middle-aged and old people in the rural areas. Rural consumers like the medium-long fiber products, both thin and thick, such as the palace material, the Liangshuang wool-like material, gabardine, etc.

Wool fabrics: according to the level of rural purchasing power, in the recent period, it is necessary to sell mainly the inexpensive wool fabrics, such as the course wool fabrics and the blended wool fabrics at a price of less than 20 yuan per meter. However, the quantity of demand for the medium- and high-priced wool fabrics of would-be married households and of youths in the rural areas in some regions is increasing; attention should be paid to the arrangement of goods, and stress is to be put on men's and women's suits.

Knitwear in cotton: in the whole consumption structure, the proportion is increasing. Undergarments with the styles and characteristics of outer garments are beginning to be in fashion among rural youth. The consumption level of the middle-aged and old people of undergarments is also rising fast. Ornamental materials have just begun to be popular at present, and guidance is necessary in this aspect.

12705

CSO: 4007/196

NATIONAL

# FISH FARMS IMPROVE BREEDING PROCEDURES

OW011202 Beijing XINHUA in English 1131 GMT 1 Mar 85

[Text] Beijing, 1 Mar (XINHUA)--China's fish farms produced over 2.45 million tons of fish and shrimp in 1984, one-third of the country's output of aquatic products, the ECONOMIC DAILY reports today.

Freshwater farms produced 1.85 million tons, up 30 percent over 1983, while farms in coastal waters approximately accounted for 600,000 tons, a rise of 10 percent. The paper attributes the increases to:

--a 6.2 percent increase in breeding area last year, bringing the national total to 3.47 million hectares. Since last November, 130,000 hectares of new fish ponds have been dug in fields unsuitable for crop cultivation;

--a rise of nearly 40 percent in the output of fish farms. The farms, with ponds covering 142,000 hectares at the end of 1984, netted 110,000 tons of freshwater fish last year, and also doubled their catch of prawns;

--a major funding drive that saw the major fish-breeding provinces of Guangdong and Jiangsu spend 100 million yuan on improving ponds in 1984;

--increases in the number of training courses established last year by the Ministry of Agriculture, Animal Husbandry and Fisheries in Zhejiang, Hunan and Anhui Provinces;

--and an increase in the number of rural households specializing in fish and shrimp breeding. The figure rose to 2.07 million under policies encouraging them to sign contracts on the use of ponds owned by local collectives.

In an accompanying commentary, the ECONOMIC DAILY calls for giving equal attention to the production, harvesting and processing of aquatic products. The further promotion of fish farming requires new initiatives from the state, collectives and individuals, particularly specialized households, it notes.

CSO: 4020/146

NATIONAL

BRIEFS

LARGE JUTE, KENAF HARVESTS--Beijing, 2 Mar (XINHUA)--China produced 1.25 million tons of jute and kenaf last year, a 23 percent increase over the 1983 harvest, according to the Ministry of Agriculture, Animal Husbandry and Fisheries today. Officials in charge of industrial crops cultivation attributed the increase to the expansion of growing areas and improvement of field management. Last year, 292,800 hectares of the crops were planted, 66,670 hectares more than in 1983 an increase of 29 percent. In addition, some producing provinces increased purchasing prices. The officials predicted that jute and kenaf production would continue to grow this year. [Text] [Beijing XINHUA in English 1306 GMT 2 May 85]

PEASANTS' BETTERMENT--Beijing, 6 Feb (XINHUA)--Some 1.3 million poverty-stricken peasant households in China became well-off in 1984, thanks to the assistance offered to them in developing their production undertakings. According to statistics from 19 provinces and municipalities, more than 790 million yuan was raised last year by the state, the collectives and individuals to help poor peasant families develop commodity production. A total of 3.04 million poverty-stricken peasant households have shaken off their poverty status under the nationwide assistance program since 1979. [Beijing XINHUA Domestic Service in Chinese 0801 GMT 6 Feb 85 OW]

CSO: 4007/242

TRANSPROVINCIAL AFFAIRS

NATIONWIDE BUMPER HARVEST IN 1984

Beijing ZHONGGUO NONGMIN BAO in Chinese 30 Dec 84 p 1

[Article: "Total Grain Output Record"]

[Text] This year, the rural areas in our country have gone further to become closely involved in restructuring, and once again there has been an overall bumper harvest. At the end of the year, good news of bumper harvests came from different provinces in China. In 1984, China's total grain output topped 800 billion jin. An estimate based on a population of 1 billion tells us that the average amount of grain per person will be 800 jin, the first time that China has reached the average world level.

Jilin. This year, once again Jilin Province had a bumper harvest. Total grain output reached 32.55 billion jin, the commodity grain to be turned over to the state will exceed 17 billion jin and in both the percentage of marketable grain products and the average amount of grain per person Jilin ranks first in all China. In Jilin Province, since the rural area has carried out the general practice of multifold and multiform operations with the household operation as a base, the developing speed of grain production has been greatly increased.

Heilongjiang. In the past 2 years, the household operation in the rural areas of Heilongjiang showed great economic vitality. This year, total grain output exceeded 35 billion jin, and compared with that of last year, there has been an increase of 10 percent and more. Milk cows, oxen and poultry have also increased 15 percent, 7.1 percent and 6 percent respectively, compared with the levels of the previous year. There has been a 10 percent increase in aquatic product output, which will reach 47,000 ton. Both the total agricultural output value and the average income per person of the peasants will exceed the highest level in history.

Anhui. Anhui Province has carried out early the system of linking planned output with contract households. In the past 5 years, total agricultural output value increased at an average rate of more than 8 percent. This year, the rural areas of the whole province has tended rapidly to develop specialization and commercialization, and thus the good tendency of continued growth has appeared. Total agricultural output value has reached 14 billion yuan,

and there has been a 10 percent increase compared with that of last year. Total grain output reached 42.1 billion jin, and there has been an increase of 6.8 percent compared with that of last year. There have also been bigger increases in the production of industrial crops, animal husbandry and fishery.

Jiangxi. This year in Jiangxi Province, there have been increases in the production not only of grain, cotton, oil, hemp, silk, tea, sugar, tobacco and fruit but also of oxen, sheep, poultry, eggs and fish. Total grain output reached 30.5 billion jin, and there has been an increase of 4.4 percent compared with that of last year. Total cotton output reached 1.2 million dan, a 25.1 percent increase compared with that of the previous year. There has been a 10 percent increase both of oil and of fruits; a 30 percent increase and 40 percent increase for ramie and tobacco, respectively; and 70 percent and 80 percent increases for sugar cane and silkworm cocoon, respectively. Poultry, eggs and milk have also increased by more than 10 percent compared with the level of the previous year.

Shangdong. The agricultural production of Shangdong Province made a new breakthrough in 1984 on the base built upon the best level in history in 1983. It is estimated that in the whole province, total grain output will be 60.8 billion jin, total cotton output will be 32.5 million dan and total peanut output will be 36 million dan. There will be a respective increase of 11.2 percent, 19.5 percent and 7.1 percent compared with that of 1983. The percentage of marketable agricultural sideline products will reach 52 percent, which is 10 percent higher than that of 1983, and the average net income per person of the peasants will reach approximately 400 yuan.

Liaoning. This year, the agriculture of Liaoning Province faced various natural disasters such as drought, windstorms and hail and floods and waterlogging, in addition to the readjustment in the overall arrangement of crops and the reduction of grain fields. However, the total grain and bean output values still cause the agriculture to have a second highest yield year in its history. Commodity grain has reached 13 billion jin, and both the urban and the rural areas have achieved the results of self-supply with a surplus.

12705

CSO: 4007/196

TRANSPROVINCIAL AFFAIRS

WORLD BANK-AIDED SOIL PROJECT PROCEEDING QUICKLY

OW030855 Beijing XINHUA in English 0701 GMT 3 Mar 85

[Text] Zhengzhou, 3 Mar (XINHUA)--The World Bank-aided alkaline soil improvement project on the north China plain is already half way through, according to a recent conference held here to review its progress. The project, to be completed in five years began in 1983 and covers 44 counties in Shandong, Henan, Hebei and Anhui Provinces.

Over the past two years, the irrigated areas have increased by 36,000 hectares and 48,600 hectares of alkaline and other wasteland have been improved.

Six hundred observation wells have been sunk in areas suffering from the most serious soil erosion and a considerable amount of laboratory work has been done. A 50-household sample survey is underway. More than 300 technical and managerial personnel have been trained at the county level.

Aiming to turn this low-yielding area into a model area for agricultural modernization, the project calls for building water conservancy projects, changing cropping system, building shelter belts, increasing power transmission lines, and establishing technical extension stations. The state has also set up 30 experimental zones for improving alkaline soil.

The World Bank has provided a loan of 60 million U.S. dollars and the International Fund for Agricultural Development and the World Food Program have also provided loans or aid.

The rest of the funds will come from the Chinese Government, collectives and individual households.

In Shandong Province, areas covered by the project raised 100 million yuan over the past two years and completed 70 percent of the work and the power construction project scheduled for five years has already been completed. In Henan, four million trees have been planted on the designated sandy and alkaline fields, meeting the 5-year schedule.

CSO: 4020/146

TRANSPROVINCIAL AFFAIRS

BRIEFS

JIANGSU, ZHEJIANG BOOST FISHING INDUSTRY--Beijing, 26 Feb (XINHUA)--Coastal Jiangsu and Zhejiang Provinces in east China have stepped up efforts to develop their fishing industry, according to local reports. Jiangsu caught 569,000 tons of fish last year, 78,000 tons more than in 1983, or 39,000 tons above the 1985 target set by the 1981-1985 plan. Freshwater raising contributed 73 percent to the increase; the catches in 14 counties exceeded 10,000 tons. Peasants along Hangzhou Bay in Zhejiang Province have started a project to dig out 670 hectares of fish ponds from coastal marshland. Since 1979, when people in Cixi County caught three tons of various types of carp per hectare in a similar experiment, 800 hectares of fish ponds have been constructed in the six counties along Hangzhou Bay. The province has 67,000 hectares of coastal marshland, out of 167,000 hectares, suitable for fish raising. The local government provides interest-free loans for such development, which is also aided by the World Food Program. [Text] [Beijing XINHUA in English 1157 GMT 26 Feb 85]

NEW USES FOR HILLSIDE FIELDS--Beijing, 2 Mar (XINHUA)--Hebei, Guizhou, Yunnan and other provinces are now adopting measures to encourage peasants to convert hillside fields to forest or pastureland, according to the ECONOMIC DAILY. The effort, also advocated by the central government, is aimed at restoring the ecological balance of areas affected by indiscriminate land reclamation. Soil erosion in those areas was so serious that fertilizer equal to the annual production of all the chemical plants in China was washed away each year, the paper said. Hebei Province will give peasants subsidies of 150,000 tons of grain this year to make up for shortages, as the province has turned 166,000 hectares of hillside land over to forest. Linyi Prefecture in Shandong will lift agricultural taxes for peasants who reafforest slopes. Baicheng Prefecture in Jilin Province, northeast China, has decided to give equal priority to agriculture, forestry and ranching. New forests and pastures have already been planted on 133,000 hectares of former farmland. Counties in Yunnan and Guizhou have extended interest-free loans to aid local efforts to develop fast-growing and high-yield trees. [Text] [Beijing XINHUA in English 0655 GMT 2 Mar 85]



TOWNSHIP ENTERPRISE PRICES FORMULATED--The products produced and marketed by township enterprises themselves now constitute a very large part of their products and the marketing prices of these products are generally self-formulated or agreed on by both the producer and the consumer. But regardless of which prices are used by a production enterprise, they must all be scientifically calculated and analyzed. In brief, commodity price determination should be analyzed according to factors such as the product cost, the cost-profit ratio, the tax rate (referring to business, product and appreciation taxes, and similarly hereinafter) and the management cost rate as well as the technical parameters and market trends of products in order to calculate and formulate product marketing prices. Based on stipulations of current regulations, the formula for calculating product marketing price is: marketing price equals production cost times (1 plus cost-profit ratio) divided by (1 minus tax rate minus management cost rate). For instance, if the production cost of a certain product is 100 yuan, the cost-profit ratio 10 percent, the tax rate 5 percent and the management cost rate 1 percent, then substituting in the above formula, 100 times (1 plus 10 percent) divided by (1 minus 5 percent minus 10 percent) equals 117.02 yuan. Calculations show that the product's marketing price is 117.02 yuan, its marketing cost is 100 yuan, its marketing tax is 5.85 yuan, its management cost is 1.17 yuan, its marketing profit is 10 yuan and its cost-profit ratio is 10 percent. /Text/ / Beijing NONGCUN CAIWU KUAIJI /RURAL FINANCIAL AFFAIRS/ in Chinese No 11, 6 Nov 84 pp 21,51/ 12267

CSO: 4007/144

ANHUI

OPEN-DOOR AGRICULTURAL POLICY BEARS FRUIT

Hefei ANHUI RIBAO in Chinese 28 Nov 84 p 1

[Article: "Anhui Agriculture Seeing Results from Open Door Policy; Active Importation of Foreign Capital and Technology Promoting Agricultural Modernization"]

[Text] In recent years on the agricultural battle front, Anhui Province has insisted on an open-door policy to import aggressively and utilize foreign capital, technology, equipment and better species. The total amount is \$120 million and it has played a positive role in promoting provincial agriculture toward specialization, commercialization and modernization.

The priority area of importation is related to developing projects. In the sajong black soil treatment project of Guoyang, Mengcheng and Suixi, 30.8 percent of the investment is already in place and finished construction works have been inspected and received and have started to demonstrate their performance. The Pishihang-Chaohu development project is under consideration for importing foreign capital and this project will be the largest in scale and the largest in financial amount among all the agricultural projects which are importing foreign capital. Completion of this project will result in tremendous effects on the comprehensive development and utilization of the rural economy in the Pishihang and Chaohu areas. Very recently, the provincial agricultural agency has submitted applications for development to the World Food Organization to bring in goods and capital to develop and make use of the over 10,000 mu of low swamp in Hefei suburb and in Feidong, Feixi and Changfeng counties to build a 10,000-mu intensive fish farming pond. The agencies concerned also brought in about 200 head of fine breeding cattles and hogs and 20,000 breeding chickens from Denmark, West Germany, India, Pakistan, and Canada; over 200 cannisters of liquid nitrogen from Japan; and advanced microcomputers made in the U.S. and Japan. The province has also entered into joint ventures with West Germany to operate a cement plant, a particle-board plant and a furniture plant. The Agriculture, Animal and Fish Department is now negotiating with Australia, the U.S. and Denmark to bring in a group of new animal-breeding technologies. In order to strengthen the work of importing agricultural technologies and capital, the members of the provincial leading unit for using foreign capital and technology to develop agriculture have been reorganized and the Provincial Corporation for Using Foreign Capital for the Comprehensive Development of Agriculture has been set up. The provincial agroeconomic and trade delegation, agricultural science and research study group and the fine-breeding chicken study group are about to go overseas to study to coordinate further the importation of advanced equipment and broaden the exchange of agroeconomic technologies.

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CSO: 4007/145

ANHUI

## EFFECTIVE MEASURES CAUSE GRAIN, OIL SALES EXPANSION

Beijing JINJI RIBAO in Chinese 25 Dec 84 p 2

[Article: "Grain Enterprises Make Profits"]

[Text] The grain enterprises of Anhui Province have enthusiastically broken through obstacles and opened up channels to enliven operations so that their economic results have increased continuously. The grain enterprises of the majority of the regions and municipalities in the province have made profits, and thus 3 regions and municipalities and 55 counties are free of loss.

This year, the provincial grain enterprises have gone through various ways and means to extend grain and oil sales. They have persisted in the principles of promoting purchases by sales and dealing with small profits but quick turnovers; they have taken such measures as unlimited quotas, fluctuating prices, flexible varieties, etc. to open up actively the markets inside and outside the province and the markets at home and abroad. They have restored the Wuhu rice market. In addition, they operate jointly with the Hebei, Guangdong, Henan and Bangbu Railway branch bureau to act as transportation and sales agents, and they have organized export resources for the foreign trade departments. Thus they have expanded their business contacts through various forms and have increased the quantity of grain and oil sales in negotiated prices.

To raise their economic results, the grain enterprises of Anhui Province have enhanced the management of the grain and oil industry to open up the ways to prosperity. In the whole province, 87 grain and oil food industries and enterprises with independent accounting have practiced price transfer processing, and this fact has impelled the enterprise to manage its product quality. Thus, the product rate is greatly raised, and a profit of more than 1.8 million yuan is gained compared with the profit from commission processing. Through technical reforms and a search for potential and renovations, the cost of production has decreased by more than 1 million yuan compared with the original amount.

12705  
CSO: 4007/196

BEIJING

PEASANTS EARN INCREASED INCOME IN 1984

OW200839 Beijing XINHUA in English 0822 GMT 20 Feb 85

[Text] Beijing, 20 Feb (XINHUA)--Peasants on the outskirts of Beijing are spending a better Spring Festival this year because of the increased income they received in 1984. Per-capita income of the five million rural residents of Beijing Municipality was 650 yuan, 140 more than in 1983. The average agricultural tax they paid to the state was 78 yuan, 18 yuan more than in 1983.

A XINHUA reporter visited Caihe village in Changping County, in the northern part of the city on the eve of the festival. Peasants there are in general better off than other rural residents in Beijing. On an average, each of the 1,203 persons in the village had an annual income of 2,535 yuan in 1984, Zhang Guoliang, the village head said.

Their 330 two-storey houses with four to five rooms each are newly built. Zhang explained that each family paid 75 percent of the building costs and the remainder was subsidized by collective funds.

The village has a labor force of 500 of which only 20 percent are engaged in farming. Over 20 percent specialize in raising chickens and pigs and doing other farm work. The remaining 50 percent work in construction, transport, dairy production and other sidelines.

Zheng Jiagui, 33, a driver, earned 5,000 yuan last year. His wife Shao Guiling took in twice that amount from her contracted one hectare rice paddy. Her per hectare output was 9.75 tons. The brigade's target is 6.75 tons per hectare and those peasants who exceed this get a bonus.

The village head told the reporter that more houses would be built this year as well as a new school building, shops and a club.

CSO: 4020/146

BEIJING

# RURAL AREAS MAKE STRIDES IN 1984

OW100728 Beijing XINHUA in English 0711 GMT 10 Mar 85

[Text] Beijing, 10 Mar (XINHUA)--Beijing's rural areas reaped 2,175,000 tons of grain last year, hitting an all-time high. This was announced by the city's Vice Mayor Han Boping at the fourth session of the eighth municipal people's congress which opened here this morning.

He said that the total income of the rural enterprises last year reached 3.2 billion yuan, 26 percent more than the previous year.

The average per capita income of its rural population amounted to 664 yuan in 1984, up 150 yuan over 1983.

Remarkable progress was also made in the production of vegetables, milk, poultry, fish, fruits and pig raising. Han attributed all these achievements to the deepening of a series of reforms in the rural areas.

The contract responsibility system had been expanded from agriculture to forestry, animal husbandry, fishery and other sideline production, he said. More than 300,000 specialized households, or about 30 percent of the peasant families, were registered last year, showing a 38 percent increase over 1983.

He said that there was a notable change in the structure of production last year with greater efforts made to develop rural industry and service trades. About 7,600 new enterprises were set up, bringing the total number to 16,000. The income of the rural industrial enterprises and service trades constituted 57 percent of the total income of the collective economy in the suburbs.

He said that more markets would be set up at the counties and major rural towns to facilitate the exchanges of local products.

Ten vegetable wholesale centers and 50 peasants' markets will also be added in the city's downtown areas to promote the sales of agricultural and by-products from the suburbs of Beijing and other rural areas, the vice mayor added.

CSO: 4020/146

BEIJING

SMALL PRC TOWN ILLUSTRATES COUNTRY'S RURAL POLICIES

HK210620 Hong Kong AFP in English 0411 GMT 21 Feb 85

[By Michele Houx]

[Text] Peking, 21 Feb (AFP)--In Caihe, a small town northwest of here half-way to the Great Wall, the mayor drives a Mercedes and locals are prosperous and happy. The town was picked by the Foreign Ministry recently to show a group of journalists an example of the country's policy of recycling much of the rural population.

To make Chinese agriculture more efficient and profitable, China's peasant population is to be reduced by 40 percent before the end of the century under the policy. Additional manpower is being switched into "related activities" like industry, commerce, services and transport.

Beaming with satisfaction, Caihe Mayor Zhang Guoliang reeled off a series of impressive figures to back up the beneficial effects the reforms currently underway in China--particularly the implementation of the responsibility system linking salaries to production--had had on his town of 1,230 people.

A big billboard on the way into town, where many of the houses are spanking new, sets the tone by proclaiming: "Let us build a civilized village." It could have added: "and a rich one."

In this respect, Mr Zhang produces an impressive array of figures. In 1977, before the responsibility system was introduced, the average per capita annual income was 97.5 yuan (about 34.5 dollars). This soared to 2,535 yuan (895 dollars) in 1984--four times as much as in 1983.

The highest income was 14,800 yuan (5,230 dollars) and the lowest was 1,000 yuan (353 dollars). But Mr Zhang added that 210 of the 346 households had an annual income above 10,000 yuan (3,533 dollars).

Each family owns its own house, with a purchase price of between 7,000 and 8,000 yuan (2,473 and 2,812 dollars) and a size which varies depending on the number of family members.

Three people share 64 square meters, four or five people 84 square meters and families with more than six members have over 100 square meters. Peking residents have an average five square meters of space, while people in Shanghai have to squeeze into three square meters.

Each house bristles with a television antenna, and all have central heating provided by coal heaters or methane gas from the fermentation of various wastes. Some even have bathrooms and a telephone.

The secret of this prosperity is the shifting of much of the village work force--100 percent rural before 1978--to activities related to agriculture, industry and commerce.

Mr Zhang claims that only 20 percent of the village manpower now works on the land, while 80 percent is involved in related activities created by the village, such as an electronics and a mirror factory, a dairy, the production of electric material or a workshop to repair agricultural equipment.

Construction of the seven million yuan (2.47 million dollar) Xi San Qi Hotel, begun in August 1983, is also underway in town. The hotel director, a former peasant, told journalists the state had loaned three million yuan to the project, the municipality a million yuan, peasants from a neighboring village another million yuan and hotel employees 500,000 yuan. The director, Wang Jide, a Chinese Communist Party member since 1969, said he personally invested 2,500 yuan in the project because "I was afraid the peasants would not have confidence. I had to set the example and sold my property."

Gesturing expansively, Mr Wang painted a radiant picture of his establishment complete with swimming pool, bar and banquet hall--an ideal stopping off place for tourists en route from Peking to the Great Wall or the Ming tombs.

But journalists wondered about the profitability of such a hotel set in the countryside a good half hour from downtown Peking, even with a bus stop at its doorstep.

CSO: 4020/146

BEIJING

# MUNICIPALITY ISSUES FRESH WATER FISHERY REGULATIONS

Beijing BEIJING RIBAO in Chinese 13 Nov 84 p 1

[Article: "Municipal Government Issues Regulations on Development of Freshwater Fish Production; Requests That All Relevant Departments and Units Fully Utilize Reservoirs, Waterways, Ponds, Warm and Cold Springs, and That Factory Circulation Thermal Waters Develop Fisheries"]

[Text] In order to solve gradually the capital's "fish shortage," the municipal government recently issued, "Certain Regulations Regarding Development of Freshwater Fishing Production," requesting all concerned departments and units to fully utilize all such surface waters as reservoirs, waterways, ponds, geo-thermal and cold springs; and factory warm water circulation systems to develop freshwater fishing production.

The main points of the "Regulations" are as follows:

1. Development of freshwater fish production requires "concerted efforts of state-owned, collective, and individual enterprises." State-owned, collective, and individual organizations, factories, mines, businesses, enterprises, brigades and schools are encouraged to invest in fisheries. Joint investment and cooperative ventures of all types, both inside and outside the city should be enthusiastically developed. Compensation may be by investment, payment in kind or by issuance of stocks.
2. Markets should be liberalized, with producing units doing their own sales. Pricing should be liberalized, to be determined by the market. Other than stabilized prices for holiday quotas, prices should be negotiated.
3. Production, supply and sales, should be integrated into combined fishing, manufacturing, and commercial enterprises, eliminating intermediary links. Besides current sales outlets, others should be fixed for live fish in affluent and central locations along with wholesale trade markets primarily devoted to aquatic products.
4. Banks should provide specialized preferential loans and financial sectors should provide revolving credit support for fishery production, construction of fishery bases, spread of fishery technology, development of different species, and for manufacture of fish food.



5. There should be a specific period of tax preferences and relief for units and individuals engaged in freshwater fish production and operation of business, relief from the tax on special forest and farm products for freshwater fish production, relief from the product tax for fishery production units directly selling fishery products at stable prices, with total elimination of the product tax upon a showing of hardship and application to the county (or prefectural) tax bureau for permission: also tax preferences for sales of fish products in the capital by those from outlying regions.

6. A tariff should be placed on those ponds and cisterns which are not so utilized, if they meet specifications, based on the value of 500 jin of aquatic products per mu. Of this, 10 percent is to be put up by the leading responsible persons. This fee is not to be added to the cost, but shall be collected by the county (prefectural) revenue department for use in local fishery production.

7. Awards should be granted for high production in the respective categories of local (county or prefectural) bureau, main corporation, village, fish farm, and specialized fishery household based on the average amount of water farmed. The annual high production threshold and award method shall be set by the municipal aquatics products company.

8. The responsibility system should be comprehensively implemented, and specialized fishery households developed. The contract period should not generally fall below 10 years. Where an individual digs a pond, the use period should not be less than 15 years. Once the contract agreement has been signed, it should be granted all legal process.

9. Scientific fish-raising should be implemented, with technical contracts and compensation for services. There should be awards for those who have come forth with important results in the science and technology of fish raising and in the dissemination of fish-raising technology.

12303

CSO: 4007/156

BEIJING

## CONSERVATION OF WATER RESOURCES URGED

Beijing BEIJING RIBAO in Chinese 13 Nov 84 p 1

[Article: "Conservation of Water Usage Is Long-Term Critical Goal for City; Severe Depletion of Reserves in Major Reservoirs at Guanting and Miyun"]

[Text] Due to years of deficient rainfall and a dramatic upsurge in the use of water for production and living, the city has noted a drop in its ground and surface water reserves over last year. The work of water conservation should become a major concern of those in all walks of life if smooth progress in our endeavors is to be assured.

The major sources for the city's water are surface water and ground water. According to water conservation department estimates, Beijing's average annual rainfall is 630 mm. Over and above the large portion lost to evaporation and seepage, present water conservation projects can store about 2.2 billion M<sup>3</sup>, which, when combined with around 2 billion M<sup>3</sup> of ground water, balances out the city's needs in normal years. But problems arise in dry years; and when there are several such years in succession, the threat of a water shortage becomes manifest.

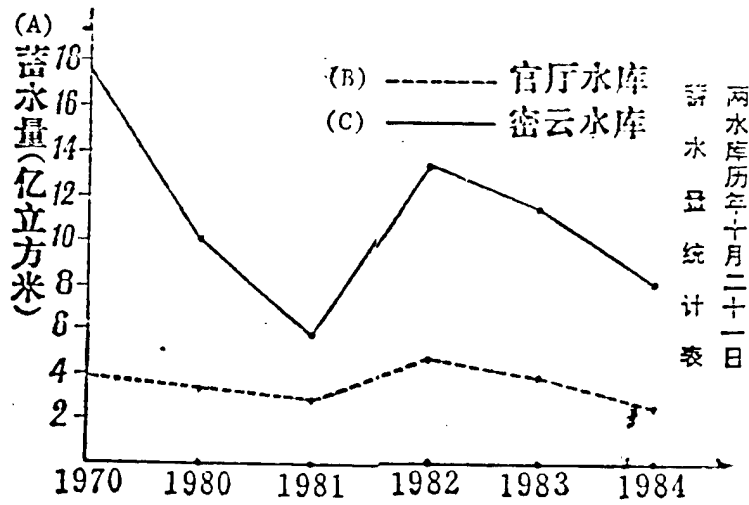
Guanting and Miyun reservoirs are the major surface water facilities for the city. How are they doing in terms of storage figures? This reporter noted personally that areas on the perimeter of Guanting which were previously submerged are not only exposed but have sprouted grass. One can walk for a dozen or more meters into the water before it even reaches one's knees. It is obvious to the observer at Miyun that the present water level is 7 or 8 M below levels of a few years ago (see photo). In the words of an engineer from the city's water bureau, the watersheds for the two reservoirs have undergone several years of drought, resulting in a steep decline in reserves. Average incoming water volume at Guanting in the fifties was 1.83 billion M<sup>3</sup>; but last year it was only 600 million. Average incoming water per annum at Miyun when it was constructed was 1.2 billion M<sup>3</sup>. Last year, it was only 400 million. The amount of water coming into the reservoirs depends on rainfall during the rainy season. However, in this past rainy season, rainfall in the watersheds of the two reservoirs was just above half of that in normal years. Thus, between June and September this year only 200 million M<sup>3</sup> were added to water reserves in the two major reservoirs--15 percent of the normal average. Rainfall was even less after September, and levels dropped dramatically. As of

21 October, reserves in the two reservoirs stood at 1,087,000,000 M<sup>3</sup>, which amounts to only 435 million M<sup>3</sup> of usable water. This is 463 million M<sup>3</sup> lower than a year ago--a drop of 52 percent.

Ground water is also an important source for the city's supply, but after the years of drought, normal replenishment is off. Moreover, with a long period of excessive exploitation, the water table is falling at greater than 1 M per year. Since 1980, the city's water table has fallen 4.7 M; and this year, rather than rising as usual during the rainy season, it continued to fall another .5 M. In some areas it went down 1.5 M, and drops in the suburbs were even greater. Two out of three of the 40,000 farm wells in the municipality are unable to sustain constant use, and of the 2.7 million mu planted in wheat this year in outlying regions, 300,000 to 400,000 are without guaranteed water supplies.

Given these facts, what are the prospects for these watersheds this winter and next spring? Working from past figures, the municipal water conservancy department's analysis reveals that between 210 and 280 million M<sup>3</sup> of water may enter the two reservoirs between November and next May, which added to present reserves, will leave the city in shorter supply for the needs of its populace, industry, and agriculture this May than in any previous year.

Based on the above, capital water conservancy experts and technicians are of the opinion that as the capital's modernization progresses, water used for urban living, industrial and agricultural production, and for environmental purposes will continue to increase. Moreover, Beijing is in an arid zone. Opening up new resources is difficult, and prospects for such new exploitation are few. Bringing water from farther away is even less likely to help. Therefore, water conservation has got to become a long-term critical strategic goal for Beijing; and those in all walks of life must move forward with the work of water conservation, bringing greater use to a limited resource.



Graph: Storage Levels of the Two Reservoirs on 21 October for Given Years

Key:

A. Level of reserves (100 million cubic M)

B. Guanting Reservoir

C. Miyun Reservoir

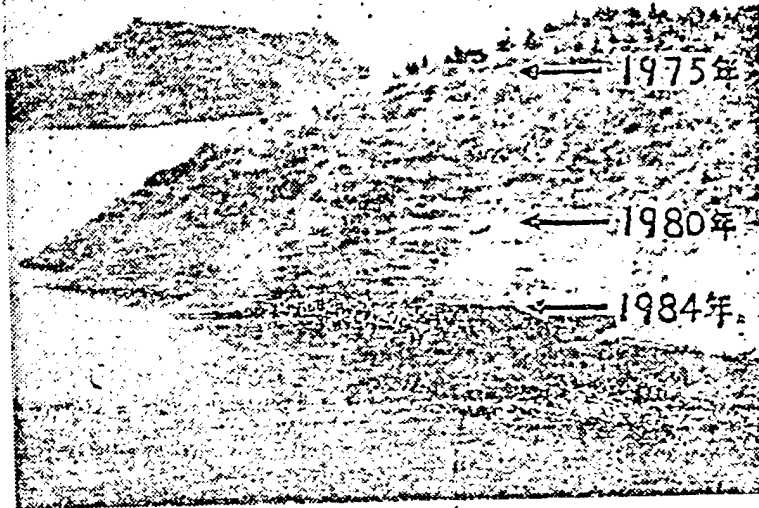


Photo caption: Water levels for given years at Miyun Reservoir

12303

CSO: 4007/156

BEIJING

RECORD TOTAL GRAIN OUTPUT REPORTED

Beijing BEIJING RIBAO in Chinese 15 Nov 84 p 1

[Article: "Municipality's Gross Grain Output May Surpass 4.2 Billion Jin This Year, Up 6.7 Percent From Last Year's Record; Further Improvements in Production Responsibility System and Strengthening of Scientific Field Management"]

[Text] According to a sample survey done by the municipal statistics bureau based on actual harvests for the spring and autumn seasons, gross grain output for the municipality this year will reach 4,298,000,000 jin, up 6.7 percent from last year's record harvest and setting an all-time record once again.

This is the sixth in a series of dry years, beginning in 1979. Surface and ground water supplies are low. On top of that, some regions were beset with numerous bouts of such natural catastrophes as wind and hail, which provoked no end of difficulties for this year's grain production. Nevertheless, due to the fact that all grain-producing counties and regions enthusiastically adopted effective countermeasures, there was still a bumper crop. Analyses by concerned municipal departments indicate that this year's extensive increase in gross grain output was owing primarily to the following factors; first, all counties and prefectures conscientiously implemented the party's rural policies, and further improved all types of agricultural production responsibility systems. There was a new trend in a number of communes and brigades toward having fields concentrated in the hands of able farmers and large contracting households. This promoted specialization and mechanization of grain production and greatly mobilized the enthusiasm of the masses toward high yields. The fields were planted fully and in an orderly fashion; but more than that, every available nook and cranny was sought out, so that the land use rate was very high. Of 14 suburban counties and prefectures, Changping, Shunyi, Tongxian, Daxing, Fangshan, Huairou, Miyun, and Yanqing were the 8 which had record grain yields. The breadth of the increase in area and the extent of the increase in production were of an order seldom seen. These increases were greatest in Tongxian and Shunyi counties, which were up 20.5 and 11.3 percent, respectively. Second, with the assistance of teams of farm experts, scientific field management was strengthened, so that bouts of natural catastrophes were quickly met with compensatory measures. Most significant was the scientific use of water and piping, which brought rather large results with limited resources. In the majority of counties and prefectures, in the application of fertilizer, weeding, pest prevention, and at all critical stages in the growth of the crop, strong countermeasures based on scientific data projections by technical personnel

at all levels were adopted. This not only maintained good growth in the long haul; but lowered costs. Third, deterioration was previously serious in the strains of crops used in the municipality, which had a strong effect on raising yields. This year, the use of improved strains was employed on an extensive area throughout the municipality. According to figures from the municipal agriculture department, the area planted in such improved strains of wheat and corn crops as "Fengkang 1," "Jinghua," and "Jingzao" surpassed 70 percent of the total area planted. Fourth, although rainfall this year was less than last year, in the latter part of the growth period for the fall crop it rained several times, followed by bright sunlight. Moreover, temperatures during the fall were on the high side. Consequently, kernel counts and thousand grain weights for such crops as corn and rice were up from last year. According to estimates from actual harvests in 9 counties where increases were greatest, corn yields reached 2,681 ears per mu--up 180 from last year. Kernels per ear reached 1375, up an average of 7.6 over last year. Thousand grain weights reached 354.5 grams, for an average increase of 23.2 grams.

12303

CSO: 4007/156

BEIJING

BRIEFS

PLANTING OF TREES, GRASS--Beijing, 7 Mar (XINHUA)--This year, 112,000 hectares of land and hills in Beijing will be planted with trees and grass, the municipal government announced today. The target for the city's urban areas is 1.2 million trees and one square kilometer of grass. In suburban areas, 20 million trees will be planted for windbreaks, said Wang Xian, vice director of the Capital Afforestation Committee. The plan is another step in the drive to green 40 percent of Beijing by 1995. So far, only 16.6 percent of the capital's 16,800 square kilometers has been planted. According to the committee, 2.08 million trees and over 1 square kilometer of lawn were planted in urban areas last year. In the suburbs, 25 million trees were planted. About four million people took part in the drive. Wang called those achievements "the most remarkable since the founding of new China." He was speaking to 6,000 people attending an afforestation conference in the great hall of the people. Also present were Seypidin Aze, vice chairman of the Standing Committee of the National People's Congress, Yang Jingren, vice chairman of the Chinese People's Political Consultative Conference, and Chen Xitong, mayor of Beijing. [Text] [Beijing XINHUA in English 1529 GMT 7 Mar 85]

CSO: 4020/146

FUJIAN

BRIEFS

AGRICULTURAL GROWTH--Fuzhou, 10 Feb (XINHUA)--Fujian Province's agricultural output value increased faster than industrial output value for the first time in 1984. Its agricultural output value amounted to 8.03 billion yuan last year, 21.9 percent higher than in the previous year. The province's aquatic product output exceeded 13 million dan, prefulfilling the Sixth 5-Year Plan. [Beijing XINHUA Domestic Service in Chinese 1304 GMT 10 Feb 85 OW]

CSO: 4007/242



GUANGDONG

CIRCULAR ON SPRING AFFORESTATION ISSUED

HK060844 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 5 Mar 85

[Text] To unfold spring afforestation in our province in a down-to-earth manner without losing time and to guarantee the fulfillment of this year's afforestation task, the provincial people's government recently issued a circular, demanding that afforestation be done seriously and well.

The circular says: Governments at all levels and all departments must strengthen their leadership, must seriously implement the spirit of the relevant important documents of the central authorities and the state's relevant policies on forestry, must extensively publicize the important significance of afforestation and of greening our motherland, and must quickly whip up an upsurge in spring afforestation. It is necessary to strengthen the provision of technological guidance, to seriously improve the quality of afforestation, to lay stress on substantial results, and to insure that all trees which have been planted will grow strong. It is essential to implement the policies on mountains and forestry. In spring afforestation, we must implement the principle that the state-run and collective-run forest zones and individuals must work hard together, must speed up afforestation in the state-run and collective-run forest zones and on the private mountains and responsibility mountains, and must speed up greening work in places along the coasts and on the plains.

CSO: 4007/242

GUIZHOU

# SURVEY SHOWS GUIZHOU PEASANTS' NET INCOME INCREASING

HK030608 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 28 Feb 85

[Excerpts] Since the beginning of last year, the province has readjusted the rural production structure. As a result, commodity production has developed rapidly and the peasants' income has increased.

According to a survey conducted on the incomes and expenses of 1,600 peasant households in 24 counties and special areas including Zunyi and Luizhi, the per-capita net income of peasants for 1984 was 261.18 yuan, an increase of 16.15 percent over the previous year. According to investigations, the economic income of the peasants in these areas was characterized by the following points:

1. Cash income from selling agricultural and sideline products has increased gradually, and the proportion of products as commodities has increased.
2. The net income of a production nature has increased, whereas the net income from a nonproduction nature has fallen.
3. There has been a synchronous growth in net income from agricultural production and net income from nonagricultural production. The rural production structure has started to change.
4. The growth rate in net income from contracting for collective production is higher than the growth rate of household sideline production.

The figures derived from the survey conducted of the 1,600 peasant households of different types also show that incomes of both rich and poor peasants have increased and the number of poor peasant households is declining. Of the 1,600 peasant households, there are only 38 households whose per-capita net income is less than 100 yuan, and households whose per-capita net income is between 200 and 300 yuan account for 39.25 percent.

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JPRS-CAG-85-011  
28 March 1985

GUIZHOU

#### BRIEFS

BLACK GLUTINOUS RICE--Guiyang, 12 Feb (XINHUA)--Guizhou Province will increase the output of a highly nutritive rice, which used to be a tribute to the emperor in ancient times. The black glutinous rice contains 11.4 percent of protein, higher than conventional strains, according to agroscientists here. Black glutinous rice gruel, which is served mainly in formal banquets, is deep brown like coffee and gives off a unique fragrance. Wine of this rice is of medicinal value, helpful to people suffering from anaemia, neurasthenia, gastritis or indigestion. For these and other special properties, agroscientists here said, it became a tribute to the imperial court in Song dynasty (960-1279). Authorities in Guizhou plan to set up special seed centers and increase supplies of fertilizer to help raise the output to the black glutinous rice, which averages 3.75 tons per hectare. [Text] [Beijing XINHUA in English 0751 GMT 12 Feb 85 OW]

CSO: 4007/242

HEBEI

## FOOD, EDIBLE OIL PROCESSING INDUSTRY SHOWS GOOD PROGRESS

### Food, Edible Oil System Takes Lead

Shijiazhuang HEBEI RIBAO in Chinese 25 Nov 84 p 2

[Text] In Langfang Prefecture the food administration system aggressively unfolded the food-processing and feedstuff-processing works in an effort to do well in food finishing projects. In the first 9 months of this year the system has earned profits of 9.87 million yuan, after deduction of purchase-marketing reverse-linkage subsidiaries as the policy requires, the net profits are 4.4 million yuan.

Following the implementation of various agricultural policies, food and edible oil production has grown in large quantities. Putting in a great effort to develop food processing and feedstuff processing not only can solve the difficulty of selling grain and storing grain but can also satisfy the daily rising demand of the people.

Up to this date, the whole prefecture's food system has built-up 264 food-processing plants and units and now produces over 100 kinds of food in 8 major categories. The processed quantity in the first 9 months of this year in the categories of cooked food, double-processed food, bean products, cakes and cookies, fermented items, starch, maltose and machine-grown bean sprouts has outgrown the same period of last year by 8.9 million catties, an increase of more than three times, and has registered a net profit of 1.346 million yuan. In the prefecture there are 147 food depots which have set up the combined shop-in-front/plant-in-back production and sales operations. They now account for 91 percent of the food depots in all cities and counties in the prefecture. They have achieved the triple accomplishment of having satisfied the masses, invigorated the market and increase the profits of the enterprises. Last year in the 9 jurisdictions, cities and counties, they all built a 2,000-ton, mixed-feedstuff-processing plant and also built 28 feedstuff-processing stations in villages and towns; the whole system has increased its production capacity from 2,000 tons per year in 1982 to 37,000 tons. It produces more than 10 types of feedstuffs which are well received by the masses. Last year it sold more than 39 million catties of various feedstuffs and in the first 9 months this year it has sold 43.5 million catties. It also uses the corn and feedstuff barter method to push up feedstuff sales.

## Food Edible Oil Industry Achieves Profit Target

Shijiazhuang HEBEI RIBAO in Chinese 26 Nov 84 p 1

[Text] Since the beginning of this year, the food and oil industry of Hebei Province has seen a large amount of growth in its economic returns; up to the end of October the earned profits are 28.4 million yuan, which is 105.15 percent of the projected figure of the whole year, and is an increase of 39.31 percent over the same period of last year.

The food agencies of all levels started with a reform of the structure of operation and management, aggressively expanded the decisionmaking power of the enterprises, perfected and implemented the operation contract responsibility system and heightened the vigor of the enterprises. The 185 State-operated Food and Oil Processing Plants in the province have all changed to a price-accounting operation from the past commission--processing arrangement and the plants and the warehouses have stopped eating from the same "big communal pot of rice" and have enhanced their concepts of separate accountings of the enterprises' economy. At the same time, all enterprises have started utilizing their spare capacities to engage in edible oil and food processing for outsiders and to work on independent production and sales of edible oil with negotiated prices and have started fermented products. Since the beginning of this year, the edible oil finished under the processing for outsiders and independent production and sales with negotiated prices has amounted to 830.3 million catties, is 27 percent of the total processed amount and has increased 10 percent of the usage of the production capacities which in turn lowered the production cost and raised the returns. Now the province has 25 flour mills to process special flour, top-quality flour and several other kinds of fine flour and has 58 plants to make dried noodles, bread and starch--doubled processed items and food items. The number of varieties has increased to more than 20 from less than 10 in the past and the quality and quantity of these products have increased on a large scale. From January to October of this year, the production of various fine flours and double-processed edible oil products have increased 137 percent and 25 percent, respectively, over the same period of last year.

12787

CSO: 4007/145

HEBEI

# BAODING SUPPLY, MARKETING COOPERATIVE REFORMS PROGRESSING

Shijiazhuang HEBEI RIBAO in Chinese 26 Nov 84 p 1

[Text] In the reform of the Baoding Municipal Supply and Marketing Cooperative system, a de facto breakthrough has been achieved in the management of personnel and the workforce, wages and awards and operations and management with swift and bold strokes against tenacious resistance. The economic return has distinctively improved. From January through October this year, the realized profits are 3.2 million yuan (RMB), which are 201 percent of the profits of all of 1983. This is the first municipal supply and marketing cooperative in the province's whole system to have recorded doubled profits.

At the end of last year, the higher authority made an overall change of the leading team of the Baoding Municipal Supply and Marketing Cooperative. The three newly arrived leading cadres thoroughly diagnosed the deficiencies of the cooperative and then immediately put forward the bold reform. They resisted the pressures from all sides and, based on personnel requirements, removed 13 managerial-level leading cadres from their positions that account for 70 percent of the cadres at that level. They also selected eight new cadres and created the favorable conditions for the accounting chief and some department chiefs in the cooperative. After the reorganization of all the leading teams in the cooperative, the enterprise immediately emerged with a new personality. The Local Product Corporation Wholesale Station had a whole year profit target of 70,000 yuan, and from January to April before the reorganization of the leading team it reported a profit of 28,000 yuan. However, from May to October after the reorganization, it realized a profit of 202,000 yuan.

This supply and marketing cooperative insisted on structural reform with swift and bold strokes and wanted to see early results. From the beginning of this year, they have written 34 reform guidelines. After these guidelines are implemented, this enterprise will be able to have independent decision-making power in its operational method, purchase-marketing activities, the use of retained cash, the appointment and removal of enterprise personnel or their reassignment, the allocation of the workforce and wages and awards; by these means the enterprise will be able to inspire work morale. In May the Non-staple Food Corporation experimented with moving down the accounting unit to a smaller unit and further broke up the "big communal pot of rice";

the economic benefits distinctly increased. Then immediately the municipal supply and marketing cooperative divided up the 25 accounting units in the corporation into 48 units and showed good results. The Nanhan Store of the Local Product Corporation, after becoming an independent accounting unit, reported sales in 1 month that is equivalent to the total sales of 5 previous months.

12787

CSO: 4007/145

HEILONGJIANG

STRATEGY, POLICY ON DEVELOPING FLAX

Harbin HEILONGJIANG RIBAO in Chinese 25 Nov 84 p 2

[Text] Heilongjiang has been in an advantageous position in growing flax, but it is now facing serious challenges in both the domestic and the overseas markets. Heilongjiang has built up a more or less complete structure of flax production from flax growing to preliminary processing, dyeing and waving, scientific research and marketing. The planting acreage has been between 0.8 and 1 million mu in recent years. The average production of flax stalks per mu reached 300 catties in the early 1980's. The total planting acreage and production account to 90 percent the national total in both categories; the total acreage consists of 6 percent of the world total and is third in production in the world. The flax industry in the province has expanded to a relatively large scale and has reached a respectable level and the flax fiber production capacity is about 28,000 tons a year, or 90 percent of the total of the whole nation. The flax dyeing and textile industry has experienced tremendous development. The export of flax products has also entered into certain overseas markets. Heilongjiang exported 90 percent of the flax fiber of the total exported by the whole country, or 8 percent of the flax trade of the world, and ranks fourth among world traders.

Although Heilongjiang's flax economy enjoys an advantageous position, compared with the same industries in other countries of the world its productivity and quality levels still fall far behind its competitors. First, flax production per mu is low, the total production quantity is unstable and the quality of the flax fiber is poor; second, the equipment is old and dated and the production techniques and designs are backward; third, our technological power is feeble, we are severely short of skilled workers and our scientific research method is aged; fourth, our flax products are not very competitive in the market and some parts of the industry have been suffering chronic losses; and fifth, the planted acreage is divided up into too many stripes and parcels are managed under a multiple leadership with chaotic management. All of these situations have seriously hindered the development of the advantage of the flax economy of our province.

Today there has emerged a new "flax fever" in the world market. The raw flax material and its products of the province are primarily produced for export to the world market, but the competition in the world market is extremely



keen. The flax products of the world are following the trend of developing more varieties, a higher quality, particular characteristics and shorter production cycle. The major quantity of the exports of this province is processed and semi-processed flax products; finished products and high quality products account for only a small portion. All in all, our flax industry lacks competitiveness, adaptability and inventiveness. In view of the domestic market, with the changes in the clothes and consumer products used by the public, the demands of the masses of the people in flax products and flax-mixed textile products will certainly see a large increase. However, the production of ramie is developing rapidly and has expanded to nine jurisdictions, provinces, municipalities and autonomous regions in the south and ramie products have gained a basic position in the domestic and world markets. Therefore, flax will be facing the keen competition of its kin products in the domestic and world markets as the days pass by. To meet this new challenge, the province must take powerful measures. The overall guidance is: to look at the flax economy as an integral unit and draw up an overall plan for the whole industry; to carry out the structural reform forcefully, thoroughly and broadly and rebuild the technologies; to develop new products and new designs aggressively and develop total utilization and take the best advantage of the resources; to insist on the open-door policy and at the same time while insisting on making products for foreign market to open up actively the domestic market to serve the growing demand of the people; and to rely on the development of the professional work force and the development of technologies to build up the province's flax economy into an advantageous industrial economy and take complete advantage of its favorable conditions. The fundamental strategy and measures that must be taken are: (1) develop markets. The major target of development is the international market, but at the same time the domestic market must be developed with great effort too. (2) Develop the resources. The priority in this respect is to upgrade the strength of the fiber and aggressively promote high quality, rich production and new flax plant varieties and introduce new cultivating technologies to strengthen vigorously the work of raising the overall quality of flax production. (3) Develop new categories of products and new varieties of products. Speed up the completion of the construction of the whole production line from flax planting to finished products. This is the major task of the whole industry projected down the road until 1990. Based on the principle of using up every part of a flax plant and of turning it into a product of one kind of useful value or another, the development priority is placed on in-depth processing and comprehensive utilization of the raw material. A great effort must be put on increasing the added value at every stage on the production line, plus special product treatment, with the prospect of producing more than 1,000 kinds of products with qualities to match the advanced product level of the world. (4) Develop and bring in new technologies. Engage in all efforts to bring in the newest technologies in the flax industries of the world today to rebuild our old plants and start our new plants in flax industrial production in this province. (5) Develop human talents. The flax industry is severely short of professional personnel. The work force is aging. In another 3 to 5 years there will be an overall replacement of the old generation of workers with a new generation of workers. It is a dire urgency to develop new blood in time.

The structural reform of the flax economy in this province is primarily to adjust and smooth the coordination within the flax industry--between the flax planting, material processing and spinning, weaving and dyeing; and within the managements of farming, production, commerce and trade--to implement the policy of the separation of political power and an enterprise's responsibility; to cut down political interference and delegate more authority; and to implement the production linkage between industrial production and farm production, the linkage of manufacturing and commerce, the linkage between two manufacturers and the linkage between industrial production and foreign trade. We must mobilize the positive attitudes from all sectors to develop multiple economic patterns aggressively to make full use of the intrinsic advantages of the industrial economy.

(1) The operational powers of the flax foreign trade should be taken over by the provincial government and the flax trade organizational structure should be reformed. The duties of the current two corporations which are in the flax product business should be combined into one unit to coordinate all aspects of operations, or be taken over by a new corporation for flax import and export to coordinate the operations.

(2) Production and trade should be combined to put foreign trade under one roof. Combining production and trade is the key to solving the conflicts between production and trade. The flax textile industrial agency and the provincial foreign trade agency together can form a united Flax Textile Corporation of Heilongjiang, China. The corporation is an above-department and above-jurisdiction united economic combination for cultivation, production, commerce and trade based on the nature of the industry. It has independent accounting to be responsible for its operational profits and losses. The units now in the flax industries maintain their present positions and keep their current ownerships, but they will enter into agreements with the Flax Textile Corporation on sharing economic returns and/or into economic contracts.

(3) State-operated flax enterprises must be reformed. The primary principle is to give enterprises independent decisionmaking powers which cover personnel, finances and products; supply, production and marketing and to carry out successfully the second phase of the reform of substituting tax payments for profit delivery and to implement the system of responsibility within an enterprise and to promote the system of plant superintendent to be charged with plant operational responsibilities. By these reforms we aim to solve the problems of enterprises eating at the "big communal pot" of the state and employees eating at the "big communal pot" of the enterprise. Small enterprises must open up their operations on the principles that "the ownership belongs to the public, operates collectively, pays taxes according to the laws and is responsible for its own profits and losses." For large enterprises, the provincial government lays down the operational project outlines and the enterprises have their individual accounting books and stop the practice of adding prices at each level of transactions. At the same time, in consideration of necessity and feasibility, they are allowed to handle their own imports and exports and the powers to negotiate and sign contracts with foreign companies so that they can exercise their effectiveness in competition.

(4) The flax industries at the level of villages and towns must be reformed. Reforms must be made in flax material-processing plants at the village and town levels. To those villages and towns which are suitable to grow flax, their processing plants will be given assistance and be helped to develop if their processed fiber can meet the requirement for textile production after their plants have received artistic and technological improvement assistances. Otherwise, if they cannot meet the requirement, they must be shut down or merged with other plants.

(5) The flax technological research structure must be reformed. All the existing research institutes should be combined to form a Heilongjiang Provincial Flax Technological and Development Center to carry out the overall coordination of the research projects and the overall management of the technological powers, to organize the research forces to target major objectives jointly, to promote properly the new results of the research and to provide information, intelligence and other services.

12787

CSO: 4007/145

HEILONGJIANG

ENFORCEMENT OF SOIL EROSION REGULATIONS URGED

SK050411 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 4 Mar 85

[Text] The 12th Standing Committee meeting of the 6th provincial people's congress continued on 4 March. Song Limin, director of the provincial water conservancy department, gave a detailed report on the draft regulations and rules concerning water and soil conservation throughout the province.

In his speech, he stated: Having encountered serious soil erosion, our province must strictly enforce disciplines in this regard in line with the law. According to incomplete statistics, the acreage throughout the province affected by soil erosion has reached 75 million mu, of which the acreage of farmland affected by erosion has reached 60 million mu. This has not only adversely affected production in agriculture and animal husbandry, but also had great influence on urban construction, transportation and the lives and property of residents. Therefore, we have worked out detailed regulations and rules on water and soil conservation in order to do a good job in grasping the work in this regard.

(Wang Jinyi), vice chairman of the provincial people's congress Standing Committee, presided over yesterday's meeting. Attending the meeting were vice chairman of the provincial people's congress Standing Committee, including Chen Yuanzhi, Lu Guang, Wang Jinling, (Xue Fengtian), Wang Pili, and Wang Zhaozhi. Attending the meeting as observers were Wang Lianzheng, vice governor of the province; Zhang Li, president of the provincial higher people's court; and Yu Jian, chief procurator of the provincial people's procuratorate.

CSO: 4007/242

JPRS-CAG-85-011  
28 March 1985

HENAN

# CPC OFFICIAL VISITS ZHUMADIAN PREFECTURE DISASTER AREAS

HK070140 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 5 Mar 85

[Text] On the eve of the Happy Lantern Festival, while leading comrades of the provincial CPC committee, including Zhao Di, deputy secretary of the provincial committee, were visiting the masses in the disaster areas in Zhumadian Prefecture, they pointed out: It is necessary to strengthen leadership over relief work, to organize the masses to struggle against natural disasters, and to step up providing for and helping oneself by engaging in production.

On the afternoon of 2 March, despite rain, leading comrades, including Zhao Di, deputy secretary of the provincial CPC committee; (Zhu Dengjun), deputy director of the Organization Department of the provincial CPC committee; (Wang Dezheng), secretary of the Zhumadian Prefectural CPC Committee; and (Song Guohua), deputy commissioner, went to (Zhanglou) Township in Runan County to visit the victims and to get a clear picture of the situation in relief work.

(Zhanglou) Township is an especially serious disaster township. However, due to proper arrangements for the masses' livelihood and production and to good social order, wheat has grown well. Since last winter, apart from dredging mud from the old Huai He along some 14,000 meters the township has also built seven flood-diversion channels, with a length of 18,000 meters. Moreover, this township has also organized the masses to engage in 14 items of production, including linen weaving, weaving work, transport and grain and timber processing. The township has earned an income of approximately 170,000 yuan.

When the leading comrades left (Zhanglou) Township, Comrade Zhao Di also gave the instruction that the leading comrades of the Zhumadian Prefectural and Runan County CPC Committees must further strengthen leadership over the organization of relief work and must do everything possible to carry out the relief work well.

CSO: 4007/242

HENAN

# RURAL SOCIOECONOMIC SURVEY BEGINS

HK050614 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 3 Mar 85

[Text] On 2 March, the province began a full-scale survey of typical rural socioeconomic development in the province. In connection with the requirements of the central authorities and the province's actual conditions, the province has listed 31 designated points for the survey, of which 7 are counties, 4 are towns and 20 are villages.

These designated survey points are scattered among the mountainous areas, hilly lands and plains. They contain both wealthy and poor areas, both developed and undeveloped areas in terms of the commodity economy, and both areas possessing high and low levels of production technology. Generally speaking, these spots reflect the basic situation of the province.

Each survey point will be headed by a responsible person who will be in charge of implementing the survey tasks. The prefectures, cities and counties concerned have generally adopted the method of assembling the workers for training. Through the study of documents and the mobilization of leadership, they have heightened the understanding of survey team workers on the importance, necessity and significance of this rural survey.

This survey was planned in connection with the requirements of the central authorities and the provincial CPC committee. By early April the province will have completed the registration of peasant households and prepared an attached list. By the end of May the province will have completed the survey of villages, production brigades, townships and counties and prepared a survey report. In June the province will conduct a comprehensive analysis of the survey.

CSO: 4007/242

JPRS-CAG-85-011  
28 March 1985

HENAN

#### BRIEFS

LEADERS VISIT ZHOUKOU FLOOD VICTIMS--During the Spring Festival, a party led by Governor He Zhukang visited townships and villages in Zhoukou Prefecture which were seriously hit by calamity to comfort the victims and spend the festival with them. This prefecture, spanned by the Sha He, was hit by serious flooding last summer and autumn. The provincial CPC committee and government have constantly kept the flood victims in mind. Before the festival, provincial CPC committee Secretary Liu Jie and Deputy Secretary Liu Zhengwei went to the prefecture to inspect relief work and comfort the masses.  
[Excerpt] [Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 22 Feb 85]

CSO: 4007/242

HUBEI

## DEVELOPMENT OF RURAL ECONOMY EXAMINED

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese  
No 11, 23 Nov 84 pp 3-9

[Speech by Yang Chunting [2799 2504 0080] at the Symposium on Doubling  
Agricultural Output Value in Hubei; date and place not specified]

[Text] To examine the issue of doubling agricultural output value, Hubei Province mobilized 300 cadres to undertake a 3-month survey covering 16 countries and cities. The survey yields a significant quantity of first-handed materials which forms a firm base for probing into the laws of rural economic development and investigating the issue of doubling agricultural output value.

### 1. The Present State of Agriculture in Hubei and Possibility of Doubling Agricultural Output Value

In the 5 years since the 3d Plenary Session of the 11th Central Committee, agricultural output value or total food production doubled in 11 prefectures and 151 counties, including some poor counties in the north which had a weak agricultural base to begin with, as well as well-developed counties in the south which had a strong agriculture and started out from a fairly high level. The fact that none of these counties is in Hubei has spurred us into action by opening our eyes to the stupidity of isolating ourselves from outside and taking a narrow view. We also realize that we may come to grief if we remain blindly complacent and refuse to make changes. Why can we not do what others have accomplished? The bottom line is whether or not we can make a serious attempt to examine the new circumstances and issues which have emerged in the rural economy, master the laws of rural economic development, heighten our understanding, unify our thinking and make our leadership more politically conscious and farsighted.

Economic development in Hubei in recent years has been long on industry and short on agriculture. The resulting imbalance has become a glaring problem in our economy. In the past five years, our agricultural development has been so sluggish that not only has it fallen behind its counterparts in advanced provinces but with an annual growth rate of only 5.2 percent, it has also dropped below the average national annual rate of



7.5 percent. We must take urgent measures to correct our agricultural stagnation which is so incompatible with the position of our province's agriculture and our natural and economic conditions. What causes our poor agricultural performance? Generally speaking, the base of our crop production system remains quite sound. When we talk about our poor agricultural performance, we mean, first of all, that our agriculture is not diversified enough. In fact, diversification has been getting nowhere in recent years. As of last year, crop production still accounted for 66.7 percent of total agricultural output value, with forestry, animal husbandry, fishery and sideline production making up the remaining 33.3 percent. Second, we refer to the limited progress our rural and township enterprises have made. Because we started late from a very low level, we only turned out 4.05 billion yuan worth of goods in 1983. With their weak foundation, our enterprises are still floundering. A third aspect is the slow economic growth in the mountainous region, which has failed to keep up with the rest of the province. Many rural counties in that region have been economically stagnant all along. The purpose of our recent survey is to uncover the difficulties and solve them so we can improve our agricultural performance.

A word about leadership. In the past few years, we were so preoccupied with day-to-day matters, meetings and tasks assigned to us by our superiors that we have done very little research, particularly comprehensive research involving key issues. In many vital areas, we have been less than thorough in our role as advisers to the provincial CPC committee or the provincial government. By undertaking our present survey on the rural economy, we intend to improve our research as the first step in transforming our style of leadership.

Broadly speaking, our province's rural economy has been making uninterrupted albeit slow, progress in recent years, with a few counties moving faster than others. Investigations show that one Hubei county doubled its total agricultural and industrial output value in the past 5 years while 36 counties, or 46.37 percent of the province's 76 counties and cities, doubled their industrial output value. Of these 36 counties, 5 quadrupled their industrial output value. Ten counties and cities, or 13.16 percent of the province's total, increased their agricultural output value by at least 50 percent. In 23 counties and cities, which make up 30.26 percent of all our counties and cities, rural and township enterprises doubled their output value. Of these 23 counties and cities, 2 counties saw the output value of their enterprises quadruple. In 11 counties, rural and township enterprises grossed over 100 million yuan.

How can we speed up rural agricultural growth and increase the possibility of doubling agricultural output value earlier than scheduled? Even within a single county, many factors are involved, including its leadership, base and resources, etc. Because counties have not been developing at a uniform pace, it would be unrealistic and impossible to demand them to achieve the goal at the same time. Circumstances vary from one locality to the next and some inevitably develop faster than others. From our recent survey of 16 counties and cities, if we look at the increases in total agricultural

and industrial output value in the 5-year period from 1979 to 1983, only 2 counties did not meet the annual growth rate demanded by the Central Committee, which was 7.2 percent. The other 14 counties all chalked up higher growth rates. It was 15.3 percent for Anlu County, 11 percent for Guangji, Honghu and Yunxi Counties and around 10 percent for most other counties. Since the economies of these counties have expanded at rates higher than 7.2 percent, it is entirely possible for some to quadruple their agricultural output value earlier than planned.

Why have some counties done better economically than others and will be able to double their agricultural and industrial value earlier? Anlu County provides us with a model. Taking 1980 as a base, it is estimated that the county will double its agricultural output value as early as 1984. We can attribute its rapid growth to its "tough leadership, correct line and emphasis on research."

As far as tough leadership is concerned, the county's leading cadres have liberated their thinking and are committed to reform. Under their leadership in recent years, the entire county's cadres and masses seriously eliminated "leftist" influences and boldly overhauled its rural economic system, using the rural production responsibility system as their principal vehicle. As early as 1979, they had begun experimenting with the joint production contracting system which came to be adopted throughout the county by the winter of 1980. This was followed by a system under which a person is held responsible for a task until it is completed and the smashing of the "big rice pot," thereby overcoming the problem of equalitarianism in distribution. From such piecemeal reforms, the county later shifted to more comprehensive changes and actively mobilized the enthusiasm of the masses, breathing fresh life into the development of its rural economy.

The correct line is to focus on economic construction, take realities as our point of departure, adjust the economic structure and stimulate the coordinated development of agriculture, industry and commerce. Anlu County began its economic work by adjusting its economic system. Owing to "leftist" influences in the past, some localities blindly sought to popularize double harvest rice although they lacked the right conditions for it. At one point, acres devoted to early and late maturing double-crop rice accounted for 78 percent of all paddy fields. No increase in food production resulted, notwithstanding all their labors. What the county did gain was the knowledge that it is well suited to the simultaneous cultivation of wheat and paddy. Determined to reform its cropping system, the county devoted 80 percent of its cultivated land to growing both wheat and paddy, early- and late-maturing double-crop rice on the remaining 20 percent of their land, or 70,000 mu. Combining this change with the popularization of agricultural technology and ceaseless efforts to improve agricultural production conditions, the county ensured progressively bountiful harvests despite rain and drought. Food production rose to 631 million catties in 1983, up from 355 million catties in 1980, an increase of 276 million catties in three years, or 92 million annually. With more food grains around, the livestock industry was able to grow by making pig-rearing the focus of its business in a concerted effort to

diversify. Pig rearing in the county has made spectacular progress over the past few years. In 1983, the number of pigs amounted to 240,000, a rise of 65.2 percent over 1978 while the number slaughtered increased by 71 percent from 1978 to 160,000. Economic diversification increased the contribution of forestry, animal husbandry, fishery and sideline production to the county's total agricultural output value from 24.17 percent in 1978 to 31.3 percent in 1983. Even while it was working hard to develop agriculture, the county took pains to develop its industry too, emphasizing light textiles, chemical industry, construction materials and machinery and concentrating on such flagship products as ballpoint pens, plastics and metal window gauze. As a result, total industrial output value increased 151 percent in 5 years. Industry picked up even greater momentum in the past 2 years, expanding at an annual rate of more than 30 percent every year since 1982.

In a change of style, the county now pays a lot of attention to research and investigations. Zeroing in on the problems of lagging services and circulation bottlenecks which have plagued the development of commodity production, it has been going all out to set up agricultural and industrial service companies at various levels as well as mobilizing all sectors to actively support agriculture. On the one hand, it has established a service system, solving the service problems peasants met at all stages of the commodity production process. On the other hand, it has adopted a variety of economic mechanisms to open up circulation channels, clearing the flow of goods, thereby facilitating the development of commodity production.

## 2. How To Double Growth Rate of the Rural Economy

Our survey indicates that to double growth rate of the rural economy, we must handle the following 10 relations well:

### (1) The Relations between National Power and a Wealthy Populace

Making the nation powerful and the people wealthy is one of the overriding purposes of economic development and starting point of all our economic policies. Only if the people acquire wealth can the nation become powerful. How quickly the people can become wealthy is, therefore, an important litmus test of the quality of our work.

Even today, some cadres still harbor a fear of letting the masses become wealthy. They look askew at people as soon as the latter become rich and even consider them shady characters. Three maladies exist in rural areas these days: cadres have a phobia of the right, specialized households are morbidly nervous and some members of the public are particularly prone to jealousy. These maladies reflect the lingering pernicious influences of the "left" and the fact that the party's policy to make the people wealthy has not yet taken root. It is true that some people in rural areas, the so-called "1,000 yuan households" and "10,000 yuan households," have become wealthy ahead of others. But then what is wrong with people getting rich through hard work, in response to the call of the party? There is also the worry that when some people become richer than others,

social polarization would ensue. But polarization is based on the relation between the exploited and the exploiting class. Since we follow socialism and our basic means of production are all publicly owned, exploitation simply does not exist in our system. How then can there be polarization? Therefore, we must seriously educate the cadres and masses ideologically. Without raising their consciousness and liberating them from the "left" straitjacket, we cannot carry out the party's policy to make the people prosperous.

How can we enrich the people quickly? It seems that the most basic approach is to increase productive forces. At present, this means that we must focus on commodity production. In the past, instead of coming to grips with productive forces, we continuously tinkered with the relations of production, glorifying poverty as a transitional phenomenon only to get more and more impoverished. Since the 3d Plenary Session of the 11th Party Central Committee, we have shifted the focus of our work to economic construction, brought about a politically stable and harmonious situation and sent the economy spurting upwards by leaps and bounds. We should take advantage of the favorable situation presented by the new set of circumstances, for which we have worked so hard, and go all out to promote the development of our rural economy.

It is impossible to make the people rich all at the same time. Development invariably comes in waves because of unevenness in economic progress. It conforms to the objective principles of economic development for a locality or a segment of the population to attain prosperity first, who will then bring along the less developed. That some people get rich first is a good thing, not a bad thing. The fact is that the person who becomes wealthy first serves as an impetus to other people to do the same. The latter, in turn, will bring along an entire village. Our policy is to enable the people to prosper together, to improve their situation together, so while we help people get rich, we must also assist poor households by solving their problems. If poor households can thus increase their production quickly, we can then all prosper together.

## (2) The Relations Between the Rate of Development and Economic Results

Rural economic development must be maintained at a certain rate. In considering the question of readjustment the last few years, the Central Committee consciously decided that the rate of economic development should be reduced somewhat. As it turned out, far from holding back economic development, readjustment has had the opposite effect: places which did a good job in readjustment have registered faster growth because readjustment helps straighten out the economy.

Development rate and results are intimately related. An exclusive concern with growth rates will inevitably lead to a single-minded pursuit of output value, to the neglect of quality. This encourages formalism and may even cause economic wastes. When we go in for commodity production these days, we must make sure our products can stand up to the test of the marketplace and take care to improve their quality, turning out

products in demand in the market. If your products do not sell well, you will only turn up a huge inventory; the more you have produced, the greater your wastes will be. In the end, your enterprise will suffer heavy losses and may even go out of business. As a result, it is not enough just to strive for a fast growth rate while ignoring economic results. We propose the unification of these two elements, growth rate and economic results. Industrial production must realize output value, produce profits and raise taxes, all at the same time. Similarly, agricultural development should be concerned with expanding production, improving quality, lowering costs and generating more income. At a time when our major thrust is to expand commodity production significantly, the question of improving the quality of agricultural products takes on additional importance with each passing day. Like industrial production, agricultural production is expected to deliver three things simultaneously, namely, increase output volume and value, increase its contribution to the state and increase people's income. Certainly what constitutes rational proportionate relations among these three desirables awaits further investigations. But clearly only their simultaneous development can lead to production growth and better economic results.

### (3) The Relations Between Doubling Economic Growth Rate and Reform

Because of our insistence on reform, the rural situation has been very good in recent years. But we must open our eyes to such longstanding basic contradictions in the socialist system as those between productive forces and the relations of production, and between the economic base and the superstructure. Only through continuous reforms to remove whatever is incompatible with the development of productive forces or inappropriate to our economic base can we further unleash our productive forces to fuel production. The relations between reform and economic development, therefore, should be one of interaction and mutual stimulation. While reform facilitates economic development, economic development, in turn, propels reform, making it more thorough and penetrating.

And the issue of thorough development is exactly what agricultural economic reform right now confronts. The joint production contracting system in agriculture needs to be further consolidated and perfected and to reach out into new areas. Once commodity production has reached a certain stage, it will outgrow its existing circulation channels, necessitating reforms in the commercial and financial systems. Piecemeal economic reforms should be repalced by wholesale reforms. In short, economic structural reforms are a daunting, long-term task. We must further inculcate the notion of reform and make our reforms more thorough and penetrating so that the economy can grow even faster.

### (4) The Relations Between Comprehensive Development and the Readjustment of the Rural Economic Structure

"There can be no stability without agriculture, no wealth without industry and no means of livelihood without commerce." This saying fully demonstrates the dialectics of economic development in rural areas. Only by setting up

a rational economic structure can we promote the all-round development of the rural economy.

Hubei's present rural economic structure is very irrational, basically because of the two "30-70 percentages." One refers to the 30 percent-70 percent breakdown of total agricultural output value between diversified operations and crop production, respectively. The other refers to the fact that agriculture and industry account for 70 percent and 30 percent respectively of the province's total industrial and agricultural output value. While these percentages do not apply to every county, they are basically true for a majority of the localities in Hubei. This irrationality manifests itself in the weak performance of the province's diversified economy and rural and township enterprises. Herein lies the basic cause for our slow economic growth in rural areas. We must, therefore, brook no delay in coming to grips with rectifying the economic structure.

Through reform, we must achieve the all-round development of forestry, animal husbandry, fishery and sideline production and the integrated development of agriculture, industry and commerce. To rectify our economic structure, we may take the following three approaches. First, establish a rational crop production system with emphasis on food grains. Second, go all out to develop forestry, animal husbandry, fishery and sideline production and establish a more rational balance between agriculture and diversified operations, without at all relaxing our efforts to boost food production. Third, combine firm measures to increase agricultural production with concerted moves to develop industry, including construction, transportation, commerce and various service trades. Through reform, we aim to bring about the coordination of industry and agriculture and the integrated development of the rural economy.

As the rural economy develops, it also undergoes two internal structural changes. First, within agriculture itself, crop production, now the mainstay of the agricultural sector of the economy, will become much less important while diversification will assume much greater significance relative to crop cultivation. Second, there will be a reduction in the share of the contribution of agriculture to the total industrial and agricultural output value, accompanied by a rise in that of industry, thereby reversing their present proportionate relations. These two changes are an inevitable trend in economic development, gradual but certain. How gradual depends on the growth rate of the rural economy, particularly the rate at which commodity production expands. We can thus see that diversification and rural and township enterprises have a major impact on the growth rate of the rural economy. At present, the rural economy is essentially a cooperative one, supported by three major pillars: food production, diversified operations and rural and township enterprises. Their sturdiness determines the strength of the rural economy.

We should closely analyze the development trends of the rural economy, develop a strategic vision, make ourselves responsive to the situation and exploit it to the full so that we can consolidate the three pillars and accelerate the rural economy.

#### (5) The Relations Between Comprehensive Treatment and Fragmented Guidance

Geographically, Hubei can be divided into three topographical regions: the plain, the hill country and the mountainous region. We should adopt different development strategies for these regions, actively develop the Jiangnan plain, harness the hilly region comprehensively and speed up the development of the mountainous region in west Hubei.

The Jiangnan plain, which occupies 60,000 sq km and includes 32 counties, is Hubei's key food, cotton and oil producing area. Crisscrossed with rivers and studded with lakes, it is well endowed with water resources. Areas adjoining cities, in particular, enjoy the advantage of convenient communications and are in a good position to develop commodity production. We should strengthen leadership and exploit the region's strong points to the full to speed up economic development so that it can be the economic leader of the province. The main problem here is water logging, which causes considerable crop damage. Besides doubling our efforts to deal with this problem, we must improve other aspects of development work and seek to raise the region's economic standard continuously.

With an area of 50,000 sq km, the hill country of Hubei includes the mounds in the center of the province as well as those in the northeast and southeast. A center for food, cotton and oil production, it also produces timber and cash crops. The chief concern of the hill country is its irrational economic structure: cultivated areas are less than or only moderately productive and its economic diversification has yet to be put on a firm footing. This region, therefore, calls for a comprehensive treatment which takes in its rivers, soil and hills, and a rational rectification of its economic structure. Food production should go hand in hand with diversification, industrialization and sideline production.

The mountainous region in west Hubei, which occupies about 70,000 sq km, includes the West Hubei Autonomous Prefecture, the Yunyang area, the Shennongjia forest zone and mountainous areas to the west of Yichang and Xiangfanchi. A major producer of timber, special products and livestock, it has considerable developable water resources and precious mineral ore deposits. But the obstacles to development are also formidable, with capital, energy, transportation and technology each presenting a problem. Apart from asking the state to provide the necessary financial and technical assistance, we must actively raise funds from among the masses, encourage an open door policy and cooperate with other parts of the country economically and technically to speed up the pace of development here.

#### (6) The Relations Between Small Market Towns and the Development of Commodity Production

Related to the development of commodity production in recent years is a rather notable growth in small market towns in rural areas. These towns play an essential role in commodity production development. A crucial link in the urban-rural network, they are the political, economic, technical, and cultural centers in rural areas and constitute their window to the

world as they strive to achieve the two civilizations. They should be fully exploited in the development of commodity production.

What functions do small market towns play? Cities play a central role in developing the national economy. Similarly, small market towns fulfill a central function in promoting commodity production: first, as an information transmission center; second, as a commodity production center; and third, as a center for miscellaneous service, so on and so forth. Certainly, such a center takes shape and is perfected only gradually over time. If a small market town really fulfills these functions, it will have contributed to the development of commodity production. In a certain sense, the construction of small market towns and their pace of development determines how fast commodity production can expand. It follows that if we succeed in developing small market towns and specialized households, we will have dramatically speeded up the dual transformation of rural areas.

Another significant point about the development of small market towns is its capacity to absorb a large amount of surplus labor force. In the wake of the rise of commodity production, some peasants quit farming but stay in their villages to engage in all kinds of specialized productive activities.

Hubei has abundant labor force but little land. Since it takes only 30 percent of the labor force to tend all our cultivated acres, 70 percent of the force will become redundant in future. Where can they go? This is a very tricky problem in economic development. There are only so many people major cities can accommodate, so migration thereto has to be limited. Rural industries and sideline production also provide a partial solution. Most of the labor force, in fact, has to enter small market towns. No longer living off the land but still in their villages, they can engage in traditional handicrafts, the construction material industry, food processing, the feed industry and various manufacturing industries or offer miscellaneous services. It seems that if we develop small market towns well, the problem of providing employment for the labor force can be solved. In this way, not only can we promote social division of labor, which is conducive to the development of commodity production, but we will also help eliminate the differences between town and country, between industry and agriculture and between mental and physical labor. We can thus see that the development of small market towns is a vital strategic task, an essential part of the construction of socialism with Chinese characteristics which should be seriously studied and put on our agenda.

#### (7) The Relations Between Commodity Production Development and Clearing Circulation Channels

As we go all out to develop commodity production, the state monopoly for purchase and marketing is no longer appropriate. New circulation channels in all shapes and forms must be developed to meet the new circumstances. Since cities must set up specialized agricultural trading centers, the cooperative economy can create its own circulation channels by establishing a range of specialized transport and marketing households. A multiplicity of channels without too many twists and turns contributes to the smooth



circulation of goods. In this sense, therefore, clearing our circulation channels directly influences the growth rate of commodity production.

But clearing circulation channels in turn depends on reforming the commercial and economic systems. We must press ahead relentlessly with the structural reform of the rural supply and marketing cooperative. Such cooperatives constitute a vital force on account of their numerical superiority and extensive geographical coverage. But whether in guiding ideology, management system or style of operation, they are ill adapted to the new set of circumstances. What they need are wholesale reforms, not only in ownership and management systems, but also in style of operation and personnel and wage systems. Through reform, they may become arteries of commodity circulation and collective enterprises which truly serve the peasants and masses.

#### (8) The Relations Between the Development of Materials and Resources and the Training of Expertise

In this day and age, the extent and scale of our expertise development determine how well we can exploit natural resources and how fast the economy will grow. The development of productive forces, therefore, depends on technology and expertise.

The development of production hinges on science and technology; the latter, in turn, must serve the former. Since this is an important long-term factor in the process of economic development, we must pay attention to technological advancement and consider it an essential strategic mission. To get double mileage out of the application of science and technology to agricultural production, we must focus on our province's special characteristics and practice intensive cultivation. We should carefully sum up our traditions and experience in intensive farming and gradually modernize it by marrying it with science. Industry should undergo a continuous process of technical transformation. At a time when science and technology are growing explosively in the world, we must strive to keep up by developing new technologies and new products. We cannot afford to pause in our drive to upgrade production and management standards and improve the quality of our products and hence their competitiveness.

We must take pains to train expertise. When all is said and done, science and technology are essentially a question of expertise. There can be no scientific research or achievements without experts. To quicken the training of experts, we must do a good job in basic education. Training must be provided for existing cadres and continuous efforts made to increase their professional knowledge and improve their management standards. The party's various policies on intellectuals must be seriously implemented to mobilize their enthusiasm and give them an opportunity to make full use of their technical expertise and contribute to the development of the rural economy. We must also concern ourselves with the dissemination of science and technology in rural areas, the operation of various kinds of peasant technical schools and the organization of

miscellaneous short training courses, and make ceaseless efforts to upgrade the masses' scientific culture and technical standard.

(9) The Relations Between Production Conditions and the Maintenance of a Sound Ecology

Since liberation, we have carried out a large number of capital construction projects to improve production conditions, laying an important material foundation for the rural economy. In the course of capital construction some years back, however, there were instances when we improperly reclaimed land from lakes and destroyed forests to clear land, resulting in an extensive soil erosion problem, which increases our susceptibility to and the incidence of natural disasters. These experiences should teach us a valuable lesson.

We must correctly work out the relation between capital construction and the maintenance of the ecological equilibrium. In recent years, Hubei has often been hit by natural disasters and our agricultural production is unsteady, suggesting that water conservancy here is not yet up to standard. Consequently, apart from continuing our water conservancy projects in the future, we must seek to improve the management standard of our water conservancy facilities to make them more effective. Capital construction must comply with the laws of nature and the principles of economics. Given the need to improve the ecology and in line with local conditions, we must gradually and systematically go in for lake restoration where reclamation has been excessive and undertake wasteland restoration where reclamation has taken place at hillsides with a gradient above 25°. Practical soil and water conservation measures must also be taken to improve the ecosystem.

Tree-planting and forestation go to the root of the problems of water retention and soil conservation. In the past, we were long on tree planting and short on tree management with the result that very few trees matured despite the large number of seedlings we planted. Henceforth, there must be dual emphasis on tree planting and tree management to bring about the greening of Hubei within the next ten years and give the province a plant cover percentage of 30 percent, up from the present 23 percent. If we can pull this off, we will have done much to improve the ecology and benefit future generations.

(10) The Relations Between Material Civilization and Spiritual Civilization

We must strengthen the construction of the rural material civilization and do so by planning population growth as well as material production. As the rural economy picks up momentum, the income of the masses also increases. A brand-new situation, the best ever, will emerge, which will stimulate the people to make even greater efforts.

Will the development of material civilization lead to a state in which the people, while materially well-off and earning a high income, feel spiritually deprived and have the wrong kind of ideology? In most cases,

this is not going to happen. As a socialist nation, we consider it our tradition to carry out socialist construction and strengthen political and ideological work. This tradition is our heirloom which we will never discard.

Even while we are striving to achieve the material civilization, we must stress the other, spiritual, civilization. We must continuously try to raise the masses' socialist consciousness and educate them to uphold the four basic principles: adhere to the socialist direction; correctly handle the relations between the state, collectives and the individual; create a healthy social climate; and strengthen the construction of the civilized village and train and build up the next socialist generation. Such is our vital ideological base and indispensable political guarantee for developing the rural economy and quadrupling the total agricultural and industrial output value.

### 3. Economic Research at County Level Must be Strengthened

Our recent survey has convinced us that the county economy is an important component and strategic unit of the overall economy. It is situated at that crucial point where the urban economy meshes with the rural economy and is also an integrated system in socialist development. A small but complete entity, it includes agriculture, forestry, animal husbandry, fishery and sideline production and embraces workers, peasants, merchants, students and soldiers. It is therefore clear that whether in economic development or comprehensive reform, it differs from medium-sized and large cities in many ways. Hence the importance of beefing up research on the county economic structure.

In the past, we failed to do enough research in this area and no leader at any level paid it much attention. To speed up economic development at the county level, we demand that leading comrades at all levels develop a strategic viewpoint, actively mobilize forces to study the county economy and formulate an economic development strategy on the basis of research findings. They should ask themselves such questions: In light of the special characteristics of their county, what kind of economic structure should they have? How should the focus of development vary from locality to locality? In what way can favorable circumstances be exploited? Other research areas include the relations between town and county, and commodity circulation. In this way, we can raise our understanding of county conditions and speed up the development of the rural economy by exploiting our strong points and sidestepping our weaknesses.

12581

CSO: 4007/150

HUBEI

# BRIEFS

FARMERS RAISE COMMODITY RATE--Wuhan, 24 Feb (XINHUA)--Commodities for the first time accounted for more than 50 percent of farm produce last year in Hubei Province, central China, ECONOMIC DAILY reported. The paper described this as a breakthrough in developing rural commodity production, as the Chinese Government encourages peasants to shift the rural economy from a subsistence to a commodity-oriented type. The total value of rural commodities in Hubei was 6.4 billion yuan, 27.2 percent more than the previous year, while rural income grew 26.2 percent, averaging 377.6 yuan per capita. Peasants in Hubei now attach great importance to fine seeds, new techniques and equipment, and improved management, the newspaper added. [Text] [Beijing XINHUA in English 0718 GMT 24 Feb 85]

PEASANT CONSUMPTION--The Provincial Statistics Bureau recently did a sample survey of 1,510 peasant households. The results showed that average consumption per peasant in the province last year was 305.1 yuan, an increase of 191.94 yuan over 1978 and a rise of 52.54 yuan over 1983. The proportion of consumption for food, clothing and daily necessities has started to decline, while the proportion of consumption for spiritual and cultural life, housing, and fuel has started to rise. [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 19 Feb 85 HK]

PEASANTS' INCOME 'MARKEDLY INCREASED'--According to the results of a sample investigation of 1,510 peasant households conducted by the rural sample investigation team of the Provincial Statistics Bureau, peasants' income in our province markedly increased last year. The per capita net income reached 392.3 yuan, an increase of 31.1 percent over 1983. Of it, the per capita monetary income amounted to some 316 yuan, recording an increase of some 70 yuan over 1983. The per capita net income derived from tertiary industry, such as commerce, services, transport and labor work, reached some 40 yuan and was 53.7 percent more than in 1983. The number of peasant households whose per capita income was over 500 yuan accounted for 21 percent and recorded an increase of 14.8 percent over 1983. The number of peasant households whose per capita net income was below 200 yuan and whose income was low, dropped from 16.1 percent of the total number of peasant households in 1983 to 5.2 percent of the total number of peasant households. [Text] [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 18 Feb 85]

JIANGSU

MORE PEASANTS ENGAGED IN INDUSTRY

OW100246 Beijing XINHUA in English 0232 GMT 10 Mar 85

[Text] Nanjing, 10 Mar (XINHUA)--Some 10 million farmers in Jiangsu Province, or 40 percent of its rural workforce, are now engaged in industry, sideline production and service trades, according to the provincial agricultural department. Among them, 2.4 million are in the service sector, including commerce, transport, tourism and construction.

Work other than farming is now done by 1.2 million peasants in the city of Wuxi, known for its well-developed rural industries. This is 67 percent of its rural workforce.

Until 1979, over 85 percent of the province's rural workforce was engaged in grain crop cultivation on a mainly subsistence basis.

The change has resulted from the present policy encouraging farmers to enter industry and commerce as an effective way to absorb surplus rural labor, now increasing steadily under the initiative-based responsibility system.

Jiangsu is one of the most economically developed and heavily-populated areas in China. The province now ranks first in China in total industrial and agricultural production. Employing about five million farmers, Jiangsu's township-run factories manufactured goods worth 22.5 billion yuan last year, almost quadrupling the 1978 figure.

Also in 1984, its rural industrial production surpassed the farming output for the first time, making up 51 percent of the whole rural economy, up from 30 percent in 1978.

CSO: 4020/146

JIANGSU

CONSERVATION, LOANS BOOST LAKE FISHING

OW250756 Beijing XINHUA in English 0430 GMT 25 Feb 85

[Text] Nanjing, 25 Feb (XINHUA)--A six-month ban on catching fish from Lake Taihu, Jiangsu Province, helped boost the fishing industry there last year, according to the provincial agricultural department.

About 14,500 tons of fish were caught from Taihu, China's third-largest freshwater lake, last year, almost equalling the record 1983 catch. But the output was worth 13.5 million yuan, a rise of nearly 34 percent over 1983. And the average income of people fishing the lake rose by 40 percent to 1,049 yuan.

The lake covers 220,000 hectares, and has 60 varieties of fish and shrimp.

The ban, aimed at halting excessive fishing, was imposed by the provincial government last March. Tough regulations on fish protection were also issued, and an office was set up to oversee fishery management on the lake.

During the ban, the provincial government extended 600,000 yuan interest-free loans to local fishermen to help them develop breeding industry and other sideline production to increase their income. The ban actually helped to improve the whitebait catch. When the ban was lifted last August, the fish had been given the chance to grow up to seven centimeters long, twice the size in May.

About 1,000 tons of whitebait were caught last year--15 percent more than in 1983.

Catches of popular carp soared by 61 percent to nearly 3,000 tons.

The ban will be imposed again between March and August this year, the provincial authorities said.

CSO: 4020/146

JPRS-CAG-85-011  
28 March 1985

JIANGSU

#### BRIEFS

AQUATIC PRODUCTS--Nanjing, 19 Feb (XINHUA)--Due to the institution of the free marketing system by Jiangsu Province, its total output of aquatic products increased to 569,000 tons in 1984, fulfilling, a year ahead of time, the production target set in the Sixth 5-Year Plan. All the province's 11 cities and 64 counties increased aquatic product output last year. The number of counties producing more than 10,000 tons of aquatic products increased from 11 in 1983 to 14 last year. [Beijing XINHUA Domestic Service in Chinese 0830 GMT 19 Feb 85 OW]

CSO: 4007/242

JPRS-CAG-85-011  
28 March 1985

JILIN

#### BRIEFS

PEASANTS STORE GRAIN--Thus far, peasants throughout Jilin Province have stored 10.7 billion jin of grain for the state on a contract basis, showing a 6.7 billion-jin increase over 1984. [Changchun Jilin Provincial Service in Mandarin 2200 GMT 12 Feb 85 SK]

CSO: 4007/242



LIAONING

NEW RURAL INDUSTRIAL STRUCTURE URGED

Shenyang LIAONING RIBAO in Chinese 27 Oct 84 p 1

/Article: "Build New Rural Industrial Structure"/

/Text/ The rural economy throughout Liaoning Province is now faced with a common problem: revising the industrial structure and promoting the development of a commodity economy. This is the second stage of the rural economy's major reform following its comprehensive carrying out of the joint production contract responsibility system. How this stage is mastered will have a decisive effect on the pace of realizing agricultural modernization and on whether millions of peasants can become rich as quickly as possible.

Revising the industrial structure is a pressing need in further developing the rural economy. Widespread carrying out of the joint production contract responsibility system has basically changed the appearance of rural areas and brought about many new conditions and problems. Along with improvements in agricultural labor productivity and increase in peasant income, a lot of surplus labor, surplus working time and surplus funds have appeared in rural areas for which new outlets must be found. The masses of peasants are dissatisfied with the solution of their food and clothing problems, and under the conditions of the present rural industrial structure being mostly a single-product one, their wanting to become rich as quickly as possible will be difficult to achieve. The mostly single-product rural industrial structure will be unable to satisfy the increasing growth burdens on the rural economy of the urban economy, the people's livelihood and foreign trade exports and will be even more unable to realize the magnificent goal of quadrupling the gross output value of agriculture by the end of the century. The traditional rural industrial structure must thus be changed from a mostly single-product, self-sufficient and closed type structure to a diversified, socialized commodity production and open type structure and travel the road of socialist agricultural development with distinctive Chinese characteristics. If the joint production contract responsibility system has enabled the masses of peasants to achieve production and

management initiative and to develop a high degree of enthusiasm and creativity, revising the industrial structure will then provide them with a vast scope for their abilities and an even greater scope for developing a commodity economy; if the first stage of reform has enabled peasants to achieve a solution to their food and clothing problems, the second stage will then enable them to become rich even faster and more easily.

Revising the rural industrial structure roughly includes three levels. The first is the cultivation structure, i.e., revising the proportional relations between grain and cash crops; the second is the general agricultural structure, i.e., revising the proportional relations between farming, forestry, animal husbandry, sideline production and fishery; the third is the whole rural industrial structure, i.e., revising the proportional relations between agriculture and industry, commerce, transportation and construction. The historically formed industrial structure is now increasingly revealing its defects. Liaoning Province's grain has been insufficient, we have firmly stressed grain production for many years, and this has been correct. Grain production has now achieved purchase and sale balance surpluses and we should start remedying these defects. Comparing grain and all cash crops in Liaoning Province's cultivation structure, the proportion of cash crops is very small; in grain production, the proportion of wheat and rice is also very small. This is a problem of changing from coarse food grains to wheat and rice, from poor quality to high quality and from low-yield to high-yield; while stabilizing and increasing grain production, we must proceed to the next step of vigorously developing all cash crops and enabling the cultivation structure to adapt to the development needs of the national economy. Judged from the angle of general agriculture, Liaoning Province still has over 10 million mu of hilly fields, grasslands, water surfaces and beaches waiting to be developed and utilized. Management and administrative standards must also be improved on that which has been developed and utilized, enabling major developments to occur in forestry and grasslands, animal husbandry and other breeding. Township industry, transportation, commerce and construction as well as the food and drink, service and repair industries are an even weaker link in the whole rural agricultural structure, with great disparities in comparison to provinces and municipalities such as Jiangsu and Shanghai. In fact, factors in Liaoning Province such as natural resources, manpower resources, physical geography and material and technical bases have provided very superior conditions for developing township industry and commerce and farming, forestry, animal husbandry, sideline production and fishery, and many new production fields can be developed. Guided by a series of policies since the 3rd Plenum of the 11th CPC Central Committee, changes have begun to occur in Liaoning Province's rural industrial composition in the past few years and new conditions have been initiated for developing a commodity economy. But this is just a good beginning. We must make the best

use of the situation, continue to advance and gradually form a new type rural industrial structure with coordinated cultivation proportions, comprehensive development of farming, forestry, animal husbandry, sideline production and fishery, comprehensive management of agriculture, industry and commerce and which is full of vitality and has good results.

Rural industrial structure revision must have a process and it relates to broad areas, involves problems in areas such as system and policy and will necessarily be somewhat more difficult and complex than the first stage of reform. It is hoped that comrades at all levels who lead rural work will improve their knowledge, strengthen their confidence, put revising the industrial structure on their agendas and conscientiously master the work of carrying out the joint production contract responsibility system. They must make thorough investigations and studies, clarify all aspects of actual conditions in their areas, summarize experience and lessons, formulate correct plans for revising industrial structure and carry them out step by step. The key to doing a good job of industrial structure revision is in being realistic and suiting measures to local conditions. There are numerous differences in conditions in all areas and it is necessary when revising to have developing the superiorities of one's own area in mind, to extend the advantages and avoid the disadvantages and to put grain, trees, fruit and industry where they should be. For instance if commodity grain bases make big issues about increasing production of, processing and transforming grain but cannot use the method of slackening or even abandoning grain production, they will be managing those production projects for which they are indeed not qualified. Revising the rural industrial structure relates to the overall national economy, a positive and cautious attitude must be taken, and blindness resulting in "stereotypes" must be avoided at all costs. The enthusiasm of the masses of peasants to develop a commodity economy is a powerful motive force in revising the industrial structure and the two are a mutual cause and effect and supplement each other. Revision work must take promoting development of a commodity economy as its central link, spur simultaneous development of state-run, collective, individual and all joint economic entities and allow all products needed by the national economy and the people's livelihood to be produced in bigger amounts. We must now stress mastering township industry, transportation and commerce, organize an increasing number of peasants to enter the fields of township industry and transportation, and spur comprehensive development of the rural economy.

The "CPC Central Committee Resolution on Economic System Reform" passed by the 3rd Plenum of the 12th CPC Central Committee is the guiding principle for the whole economic system reform and further points out the direction of urban and rural reform. Conscientiously

studying this important document, grasping the guiding ideology of the reforms, clarifying reform goals, integrating them with actual local conditions and correctly carrying out system reform policies will spur all rural reforms including revising industrial structure toward a new stage and realize a new leap forward for the agricultural economy.

12267

CSO: 4007/144

LIAONING

RURAL ECONOMY IN PROVINCE ENLIVENED

SK060735 Shenyang LIAONING RIBAO in Chinese 17 Feb 85 p 1

[Excerpts] The situation in which our rural areas lacked food and clothing has been swept away. The gratifying scene of all rural areas having surplus grain and cotton and ample food and clothing may now be seen. The gratifying situation was noted by Vice Governor Wang Guangzhong at a forum of agricultural specialists to welcome the Spring Festival sponsored by the provincial CPC committee and the provincial government on 2 February.

In 1984, the total grain and soybean production was 28.5 billion jin and output of commodity grain reached 13.6 billion jin. Total output of paddy rice reached 6.62 billion jin, an increase of 8.1 percent over the previous year. The per-unit yield of paddy rice was 1,021 jin. Total output of oil-bearing crops was 8,409,000 dan, an increase of 27.1 percent over the previous year. Faster developments had been made in a diversified economy including forestry, animal husbandry, sideline occupation and fishery. The income from a diversified economy is estimated to reach 5.8 billion yuan, with its proportion of the agricultural output value up from 43 percent in 1983 to 58 percent. Faster developments had also been made in rural second and tertiary industries in 1984. Total output value of township (town) and village enterprises in 1984 might reach 7.7 billion yuan, an increase of 35.6 percent over the previous year. The total industrial output value might reach 5.7 billion yuan, an increase of 42.5 percent over the previous year. According to estimates by the city agricultural departments, the rural social output value in 1984 might reach 18 billion yuan, an increase of 15 percent over the previous year; and the per capita income of rural people might reach 470 yuan, an increase of 3.9 percent over the previous year.

CSO: 4007/242

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LIAONING

#### BRIEFS

OIL-BEARING CROPS PRODUCTION--In 1984, the total oil-bearing crops output of Liaoning Province was 8,409,000 dan, an increase of 2,221,000 dan or 35.9 percent over 1983. [Shenyang LIAONING RIBAO in Chinese 27 Jan 85 p 1 SK]

CSO: 4007/242

NEI MONGGOL

BRIEFS

SUGAR PRODUCTION--In 1984, sugar refineries in Nei Monggol procured 1.32 million tons of beets, three times that of 1978; and produced 168,000 tons of sugar, four times that of 1978. The region's beet and sugar production ranked second in the country, second only to Heilongjiang, and represents a historical record. [Excerpt] [Hohhot NEIMONGGOL RIBAO in Chinese 3 Feb 85 p 1 SK]

SUGAR OUTPUT--In 1984, Nei Monggol Region produced 175,500 tons of sugar, 45,500 tons more than the state planned figure, and 45,300 tons more than the 1983 figure. [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 20 Feb 85 SK]

GRAIN FODDER--Nei Monggol Region produced 455 million jin of grain fodder in 1984, exceeding the state-assigned quota by 55 million jin. Compared with 1983, output increased by 155 million jin, and profit by 130 percent. [Excerpt] [Hohhot NEIMONGGOL RIBAO in Chinese 2 Feb 85 p 1 SK]

AFFORESTATION PLAN--The Nei Monggol Autonomous Regional Greening Committee held a plenary meeting on 7 March to sum up the afforestation done in 1984 and to work out plans for 1985 when the region plans to plant 9 million mu of trees. [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 7 Mar 85 SK]

GRASSLAND DEVELOPMENTS--According to statistics, in 1984 Nei Monggol Autonomous Region planted 6,104,000 mu of grasses artificially, an increase of 57.7 percent over 1983. So far, the region has over 17 million mu of man-made grasslands. The region sowed 1.34 million mu of forage grasses by airplane in 1984 and so far, the accumulated forage grasses sown by an airplane totals over 2.62 million mu. The man-made pastures exceed 4,484 mu. [Hohhot NEIMONGGOL RIBAO in Chinese 22 Feb 85 p 1]

CSO: 4007/242

NINGXIA

# SYSTEMATIC DEVELOPMENT PLAN OF FODDER INDUSTRY DRAFTED

Yinchuan NINGXIA RIBAO in Chinese 24 Dec 84 p 2

[Article by Cai Xingwu [5591 5281 2976] of the District Agricultural Bank and Yang Xue [2799 7185] of the Animal Husbandry Bureau of Wuzhong Municipality: "Fodder Industry Development Urged"]

[Text] At present, in our district and in most of the other regions in our country, the problem of "hard to sell grains" exists on the one hand and, on the other, so does the problem of "demand exceeding supply" for meat, fowl, eggs and milk. The authorities concerned have paid close attention to this condition, and some measures for settling these problems have been tried. It is clear that the most efficient measure is to develop the fodder industry in order to promote the speedy growth of breeding enterprises.

In the 6 years between 1978 and 1983, according to the annual average speed of increase, the gross output of grain has been 4.36 percent, and that of oil has been 9.9 percent, but the annual average increasing rate of animal husbandry output value has been only 0.3 percent. The number of ox (including meat ox), live hogs and sheep on hand has been reduced. The proportion of animal husbandry in the agricultural gross output value has been as follows: 15.1 percent in 1978 but 11.2 percent in 1983, a decrease of 3.9 percent. This fact shows that the economic structure of agriculture in our district is not right, and the development speed of the production of breeding enterprises is slow. There are many causes, but one of the basic ones lies in the backwardness of the fodder industry, and the problem of "hard to sell grain" is an explanation of the cause mentioned.

From a worldwide standpoint, the gross output value of grain of our country ranks second in the world, but the average quantity per person was only 315 kg in 1981. The average quantity per person in the United States is 1,451 kg, in Canada 2,202 kg and in Australia 1,613 kg. With the exception of Canada, the above-mentioned countries still need to import some of their grains. Therefore, the "surplus" of our grain is a surplus due to the low level. Because of the backwardness of the fodder industry, the breeding enterprise has no resources, and grain and other agricultural sideline products cannot be transformed into meat, fowl, eggs and milk on the spot. In 1983, a mass fervor for raising chickens appeared in the whole district,



and many big chicken-raising households emerged. Now, there is still an increase in the number of chickens on hand in the whole community, yet the scale of chicken raising has been reduced, and there are no more big households in this trade. Since the scale has been reduced, naturally the commodity rate is lowered. The investigation data of the departments concerned in the district indicates that the trade prices of meat, fowl and eggs in the food market have increased 13.5 percent compared with that in the same period of the previous year, but the supply still seems insufficient.

Fodder is the basis of breeding enterprise development, and whether the production level of fodder industry is high or low can determine to a large degree the scale and speed of breeding enterprise development. The fodder industry in our district must be developed immediately, and stress must be put on this project. It is important to emphasize the production of mixed feed, which is an overall nourishment, to enrich and meet the growth needs of animals and fowl. At present, there is still a considerable number of animals and fowl to be fed with whatever is on hand. The few varieties of fodder and the insufficiency of protein extend the production cycle and caused a slow increase in the weight of animals and fowl; both the volume of egg and milk product-on and the quality of animal and fowl production are low, and the cost is high but the results poor. Now, there are a few odd-fodder-processing factories in our district, but they are far from meeting the needs of animal and husbandry production. Thus looking from a long-term point of view, besides running well the fodder-processing factories which we already have, it is necessary to work on the investigation and study of the development of the fodder industry in the whole district and work out a comparatively systematic development plant for the fodder industry, an overall systematic plan that has been drafted from top to bottom, from the general to the detailed and from concentrated techniques (knowledge) to a concentrated labor force. This plan should be executed as soon as possible in order to lay the foundation for a complete fodder industry system in our district.

1. The most important condition for developing a fodder industry is the development of a fodder additive industry. Our district should work fast to reconstruct or build one or two fodder additive production factories (workshops) in order to substantiate sufficient technological power; the items produced will directly supply the market and provide some of the fodder additives for the fodder factories and the individual household who makes his own fodder.

2. Stress should be put on running several factories that manufacture mixed fodder for production balance purposes in order to build a base to raise the quality of the compound fodder in our district. It is especially convenient for those specialized households who have developed household breeding enterprises, because the self-produced grain for fodder use can be transformed directly into livestock products in the home. Thus, the expenses for processing and transportation can be saved. The specialized households will buy the mixed fodder for a production balance directly from the market; after adding

a certain proportion of concentrates, the livestock can be fed directly with the fodder. This will guarantee that the animals and fowl will be fed with mixed fodder of a complete value of with primary mixed fodder.

3. The factory which manufactures a fodder of complete value should be planned and built. It should be for the use of the local consumers with a guarantee of quality, and it should be an example in pushing the development of the fodder industry.

4. The planning and building of the fodder appraisal center must be sped up so that the backward situation of the means of analysis can be changed. It is also necessary to provide modern analytical instrument installations and examine strictly the fodder products produced in our district.

5. Scientific research should be enhanced, fodder research organizations must be set up, complete sets of fodder prescriptions will be supplied and, finally, major efforts should be used on opening up the fodder resources in our district.

12705

CSO: 4007/196

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28 March 1985

NINGXIA

#### BRIEFS

GRAIN DATA BANK--Yinchuan, 27 Feb (XINHUA)--A data system for rice and wheat strain resources has been set up in Ningxia, Northwest China. The system, built by the Regional Computing Center and Academy of Agricultural Sciences, contains 143,000 pieces of information on over 1,800 strains. China has over 40,000 strains of rice, which have produced many hybrid varieties in recent years. [Text] [Beijing XINHUA in English 1122 GMT 27 Feb 85 OW]

CSO: 4020/146

SHAANXI

METHODS PROJECTING LAND READJUSTMENT REPORTED

Beijing NONGCUN CAIWU KUAIJI /RURAL FINANCIAL AFFAIRS/ in Chinese No 11,  
6 Nov 84 pp 30-32

/Article: "Forecast Labor Changes and Do a Good Job of Land  
Readjustment; Fuxian County's Xidaode Production Brigade Tries  
Investigating the 'Labor Forecast Contract Method'" /

/Text/ Extending the land contract period is an important item in  
further stabilizing and perfecting the land contract system and a  
major matter affecting things on a broad scale and related to rural  
economic development. Based on the spirit of the Central Committee's  
(1984) Document No 1 and in line with the principle of "major  
stability and minor readjustment," the Xidaode Production Brigade  
of Nandaode Commune in Shaanxi Province's Fuxian County tried out  
the "labor forecast contract method" and extended the land contract  
period during May 1984. This method's specific implementation steps  
were: The first step was forecasting labor changes. Based on  
related party policies and the brigade's actual conditions, they  
first determined the labor change basis. 1. The age of the labor  
force: 18-60 year-old males and 18-50 year-old females; 2. When  
young 25 year-old single males reached marriageable age, they were  
counted as one more person and one more able-bodied worker  
whether they were married or not and 1 child was added to the  
population count the second year after they were married; 3. When  
young 23-year-old single females reached marriage age, 1 person  
and 1 able-bodied worker were subtracted (Note: This item was not  
necessarily imposed uniformly); 4. Temporary workers, contract  
workers and people who were of working age but had lost the ability  
to work were only counted as population but not as able-bodied workers.

According to the above stipulations, the labor change conditions of  
all peasant households were calculated. For instance, the one by  
one calculation method for the five people in a certain Wang household  
was:

1. The contract period of Mr Wang, born May 1936 and now 48 years  
old was counted as 16 /sic/ years for population and 12 years for  
labor force (his age at leaving the labor force of 60 minus his

present 48 equals 12); 2. The contract period of Mrs Wang, born November 1940 and now 43 years old was counted as 15 years for population and 7 years for labor force (her age at leaving the labor force of 50 minus her present 43 equals 7); 3. The contract periods of the eldest son, born January 1963 and now 21 years old, his wife and child were calculated as 36 years for population (his contract period was 15 years for population and when he is married at 25 years old in the 4th year, his wife's contract period will be counted as 15 minus 4 equals 11 years for population and the contract period of his child born in the 5th year will be calculated as 15 minus 5 equals 10 years for population; the 3 people add up to 36 years for population) and 26 years for labor force (his contract period of 15 years plus his wife's of 11 years); 4. The contract period of the eldest daughter born in July 1969 and now 16 years old was counted as 23 (marriage age) minus 16 (present age) equals 7 years for population and 5 years for labor force (the 5 years from entering the labor force at age 18 to getting married at age 23); 5. The contract period of the second daughter, born September 1978 and now 5 years old was counted as 15 years for population and 2 years for labor force (i.e. 13 years until she enters the labor force at age 18 plus 2 years to fulfill the contract period, therefore counted as 2 years for labor force).

The population total of Wang's family was 88, the labor force total was 52, the standard population was 5.8 people (88 divided by 15 equals 5.8) and the standard labor force was 3.4 people (52 divided by 15 equals 3.4 people). (See following table)

Wang's Family Labor Forecast Change Table

1	姓 名	2 性 别	3 出 生 年 月	年 龄	5 人口累计	6 劳力累计
7	王 某	14 男	201936年5月	48	15	12
8	王 妻	15 女	211940年11月	43	15	7
9	长 子	16 男	221963年1月	21	86	26
10	长 女	17 女	231967年7月	16	7	5
11	次 女	18 女	241978年9月	5	16	2
12	合 计	■ x	x	x	88	52
13	标准人口		5.8	25	标准劳力	3.4

- Key:
- |                         |                          |
|-------------------------|--------------------------|
| 1. Name                 | 14. Male                 |
| 2. Sex                  | 15. Female               |
| 3. Month and year born  | 16. Male                 |
| 4. Age                  | 17. Female               |
| 5. Population total     | 18. Female               |
| 6. Labor force total    | 20. May 1936             |
| 7. Mr. Wang             | 21. November 1940        |
| 8. Mrs. Wang            | 22. January 1963         |
| 9. Eldest son           | 23. July 1967            |
| 10. Eldest daughter     | 24. September 1978       |
| 11. Second daughter     | 25. Standard labor force |
| 12. Total               |                          |
| 13. Standard population |                          |

According to the above basis and method, the brigade's standard population was forecasted as 320.5 people or 19.5 more than at present. The standard labor force will be 183.4 people or 68.4 more than at present.

The second step was determining the contract area. 1. They regarded the 124 mu of cultivated land throughout the brigade with a slope of 15 to 25 degrees or more as the object in stopping cultivation, prescribed a limit of 3 years to return it to forestry or animal husbandry, and did not calculate it in contract area; 2. The motorized land was reduced from the former 66 mu to 50 mu, constituting 5.4 percent of total cultivated area; 3. The 4 mu of land on the border of the village susceptible to livestock and poultry trampling which was kept as a base for the masses to plan housing on was treated as motorized land prior to examination and approval by the county and commune; 4. The 4 people 6 laborer contract land proportions were readjusted to half people and half laborer.

The contractable land area throughout the brigade was thus 678 mu. Of this, each standard population grainfield of Production Team No 1's 345 mu was 1.16 mu and their standard labor force duty fields were 2 mu; each standard population grainfield of Team No 2's 333 mu was 0.98 mu and their standard labor force duty fields were 1.9 mu. The totals of contracted population grainfield and duty fields per mu were thus calculated.

The third step was carrying out land readjustment. According to the results of the household by household calculations, 35 households throughout the brigade had to stop cultivating 78 mu of land and 31 households had to be supplemented with 92.4 mu of cultivated land. In order to maintain as far as possible the stability of the contracted land of the original contracting households and the completeness of the cultivated area during readjustment, two pieces of type two original high alkali land were selected through discussion from the two production teams respectively as the readjustment targets, and using the adjacent order of the original contracting households, they were divided according to household and measured piece by piece, the borders were fixed by pile driving and an extension notice was published. In order to solve change of crop contradictions, they adopted the method of readjusting summer fields after the wheat harvest and autumn fields after the fall harvest, and after all readjustments were completed, the contracting households signed notarized contracts with the production teams. The major contents of the contracts included: the contracted land's grade, area and number of plots; the state purchase quotas and collective retention which should be undertaken; the administrative steps or plans to return cultivated slopes to forestry or animal husbandry. The contracts also stressed that contract land was collectively owned and that contract households had to submit to collective unified

management and overall crop distribution; others could be sought to turn contracts over to for cultivated land which was returned to collective unified planning because the contractor changed occupation or was unable to cultivate during the contract period, but the contract relations between the original contract household and the collective could not be changed; public land ownership had to be upheld and contract land was not permitted to be bought or sold, used for building houses, kilns or graves, be uncultivated or its use changed at will. Contracts were fixed for 15 years from Spring 1985 to the end of 1999.

In using the "labor forecast contract method" and extending land contract periods, we think there are five characteristics:

First is that it upholds the principle of "major stability and minor readjustment." Through 15-year labor change forecasts, land which should be added is added in advance and land which should be reduced is reduced in advance. Since increase or decrease of land caused by labor changes during 15 years is basically solved at one time, it is unnecessary to make major readjustments again, and this is favorable to both stable land management and to seeking investment and developing soil fertility.

Second is that the household by household calculation of standard population and labor force and the carrying out of the method of contracting grainfields according to standard population and duty fields according to standard labor has solved the past irrational land use method of not distinguishing male and female, old and young and labor according to the average person, and this not only accords with the family management interests of the masses of peasant households but also with the entire rural economic development trend.

Third is that it decreases the change factors and reduces the motorized land area.

Fourth is that after male and female marriage ages are suitably calculated, the forecast birth of one child is favorable to carrying out late marriage and planned parenthood measures.

Fifth is that the method is handy, easily carried out and easily accepted and popularized among the masses of peasant households.

12267

CSO: 4007/144

SHANDONG

# LU SPEAKS AT WATER CONSERVANCY WORK CONFERENCE

SK040420 Jinan Shandong Provincial Service in Mandarin 2300 GMT 3 Mar 85

[Text] At the provincial water conservancy work conference, Vice Governor Lu Hong pointed out in his speech that it is necessary to emancipate the mind, carry out reforms bravely, simultaneously develop [words indistinct], and render comprehensive service if we are to carry out water conservancy work successfully and develop water conservancy undertakings. He stressed:

1. Water conservancy work should be reoriented in order to serve national economic and social development. When making work arrangements and working out ways to solve problems, water conservancy departments should proceed from the whole situation, cater to the needs of society, and stress economic results. They should strengthen the unified planning and overall management of water resources, and, on the premise of economizing on water consumption, satisfy urban and rural people's needs for water supply first, and then supply water to enterprises and plants with better economic results and supply water for farmland irrigation.
2. Water conservancy projects should be strengthened so that the potential of existing projects can be fully tapped. We should get rid of outdated concepts and eliminate the past erroneous tendency of paying attention to constructing projects and neglecting management and efficiency. We should put more effort into operation and management in order to improve economic results, and create the maximum economic benefits for society with less manpower, financial and material resources.
3. We should encourage the masses to build water conservancy works self-reliantly. We should actively encourage and organize peasants to build projects according to their capacity on the basis of the principles of voluntary participation and of sharing expenses according to the benefits. We should urge them to attach importance to efficiency in developing farmland improvement projects. Projects built by peasants themselves should be owned, managed, and used by those who build them according to the unified plans. Such projects may be used on a long-term basis and may be inherited. Projects which yield comprehensive returns may be built cooperatively by the benefiting units which shall share the expenses. In this way, the state's investment in water conservancy projects can yield twice the results with half the effort.



4. The contract system should be applied to all fields of water conservancy work. All localities should regard the water conservancy responsibility system as an important component part of the agricultural production responsibility system, and attend to it conscientiously.

Comrade Lu Hong particularly emphasized attention to flood control and anti-drought work in order to consolidate and develop the excellent situation. He urged all localities to overcome slackness, make early antiflood preparations, make the best use of the period before the flood season to repair the dangerous sections of dikes, remove river obstacles, repair drainage systems, and build necessary antiflood projects so as to meet possible floods and water-logging and provide a guarantee of safety for social and national economic development.

CSO: 4007/242

SHANDONG

BRIEFS

**SPECIALIZED HOUSEHOLD DEVELOPMENT**--Shandong Province has made great progress in developing specialized households. In 1984, the number of specialized households in the province reached 3.7 million households, a 700,000-household increase over the 1983 figure. The province had more than 5,000 villages engaging in specialized commodity production and 230,000 economic associations, a 50,000-unit increase over the 1983 figure. The province realized 21.5 billion yuan in total income earned from developing the diversified economy, a 2.5 billion-yuan increase over the 1983 figure. Income per peasant in this regard reached 320 yuan, an approximately 12-percent increase over the 1983 figure. [Excerpts] [Jinan Shandong Provincial Service in Mandarin 2300 GMT 18 Jan 85 SK]

**AFFORESTATION INCREASES**--In 1984, Shandong Province afforested 2.03 million mu, an increase of 32.8 percent over the previous year, and built 14.68 million mu of tree belts around farm plots, an increase of 261 percent over the previous year. Marked increases were also made in planting trees around houses and along rivers, roads and ditches. [Jinan Shandong Provincial Service in Mandarin 2300 GMT 1 Mar 85 SK]

**DEVELOPING SPECIALIZED HOUSEHOLDS**--In 1984, Shandong Province made new progress in developing individual-owned industrial and commercial enterprises. According to statistics compiled at the end of 1984, the number of households engaged in industrial and commercial business totaled more than 789,000 and more than 1.15 million family members were engaged in these businesses, a 26.7 percent increase in household number and a 42.8 percent increase in workers over the 1983 figure. Their gross sales reached more than 4,519,000,000 yuan, a 52 percent increase over the 1983 figure. [Excerpts] [Jinan Shandong Provincial Service in Mandarin 2300 GMT 18 Feb 85 SK]

CSO: 4007/242

SHANGHAI

FARMING IN DEVELOPED ECONOMIC AREAS DISCUSSED

Modernization of Farming

Beijing GUANGMING RIBAO in Chinese 6 Dec 84 p 1

[Commentary: "Developed Economic Zones Must Lead the Way in Realizing the Modernization of Chinese-type Agriculture"]

[Text] The Shanghai economic zone is one of China's strongest in technology, most advanced in production levels, and most developed economically. With the full exploitation of its superiorities and the self-conscious effort of its people, the Shanghai economic zone has the potential to be the first to fulfill the task of realizing a fourfold increase in agricultural modernization and in gross industrial agricultural output value, as well as to be the leader for realizing China's agricultural modernization.

From the standpoint of past experiences in the Shanghai economic zone, there are three facts which must be noted for a developed economic zone in its path toward Chinese-style agricultural modernization. First, the zone's economic strengths must be utilized to support rural township industries and change rural production organization, both to invigorate the rural economy and to synchronize development in urban and rural areas. This will lead gradually to the formation of an integrated economic network with the city at the center surrounded by a perimeter of collectives and townships. Conversely, this network will create favorable conditions for economic exchange between urban and rural areas. Second, technological advantages must be exploited, establishing a system of appropriate technology which leads to high, stable, and quality production and low waste in agriculture. Labor production rates and land production rates must be improved. The tensions brought about by increased labor in industry and decreased labor in farming must be resolved. Third, human resources must be tapped. Specialized households must be supported vigorously and capable persons must be appointed and employed. Cooperation should be encouraged, production developed, self-sufficient and semi-self-sufficient farm economies must be urged toward transforming into commodity economies.

Farming in the Shanghai economic zone has run into some problems in the course of its advance. These are problems which all developed areas have nowadays, and which less well developed areas will have in days to come. The proverb says, "an overturned cart is fair warning to those behind." What this implies

is that a conscientious study of these problems will have meaning for rural villages throughout the nation in keeping the road toward modernization in agriculture a straight one.

### Open-Type Farming Urged

Beijing GUANGMING RIBAO in Chinese 6 Dec 84 p 1

[Article: "Open-Type Agriculture Must Be Promoted in the Shanghai Economic Zone--Experts Recommend That Rural Reform Be Synchronized With Urban Economic Reform in Economic Zones"]

[Text] "Farming in the Shanghai economic zone should bring the district's strengths fully into play. Agriculture should be of the open type. Foreign advanced technology should be brought in as quickly as possible. There should be an all out effort to reach the goal of quadrupling agriculture ahead of schedule. 'Comparatively well-off' status should be attained. Shanghai should serve a guiding role for the process of modernizing agriculture across the land." These were some of the major suggestions of a number of experts attending the Strategic Development Conference for Agriculture in the Shanghai Economic Zone held recently in Suzhou, Jiangsu.

The Shanghai economic zone is the most economically advanced in China. It includes Shanghai itself, Suzhou, Wuxi, Changzhou, and Nantong in Jiangsu, and Hangzhou, Jiaxing, Huzhou, Ningbo, and Shaoxing in Zhejiang--10 cities and 55 counties altogether. Since the 3d Plenum of the 11th CPC Central Committee, this economic region has revitalized its farm economy through reform of economic systems and readjustment of the structure of production, gradually becoming an integrated network of urban and rural areas, with its agriculture already well into a new phase of development.

Looking down at the question from the perspective of the strategic development of agriculture, the experts made a number of proposals for solving current problems facing the region. From their standpoint, reform of rural villages in the zone should be synchronized with reform of the urban economic system. Rural industrial structures must be reformed. Continual adjustments must be made in the ratio of grain to economic crops; and the development of fishing, husbandry, farm byproduct manufacturing, and tertiary industries should be accelerated. A new type of mutual assistance relationship between urban and rural areas should be set up. The goal of quadrupling industrial and agricultural output value should be reached ahead of schedule. Reform of relevant rural systems must continue, and farm policies must be correctly carried out, gradually incorporating grain production into commodity production and the exchange system. Disparity between price and value in grain must be reduced. Better quality should receive a better price. Circulation should be revitalized, so as to solve selling problems in some locales. Internal structures for rural township enterprises should be brought quickly into adjustment, with policies strengthened toward support of rural township enterprise. Supplies of energy and raw materials should be assured, taxes should be adjusted to income, and development should be promoted, to bring wealth to rural villages quickly as possible.

The experts participating in the conference pointed out that Shanghai economic zone should have an open-type agriculture, bring in appropriate advanced foreign technology, funds, and expertise as rapidly as possible, and this should put Shanghai one step ahead in realizing agricultural modernization. In addition, Shanghai should disseminate and pass on its advanced technology and experience to places throughout the nation.

The experts also voiced their opinions on specialization and socialization in the development of agricultural production, managing construction of smaller cities and towns, and avoiding environmental pollution.

This symposium was organized and conducted by the State Planning Commission, the Ministry of Agriculture, Husbandry, and Fisheries, the China Rural Development Research Center, and the Science and Technical Association of China under the auspices of the Chinese Agronomy Commission.

12303  
CSO: 4007/147

SHANXI

## PROBLEMS IN DEVELOPING RURAL, SMALL TOWN ENTERPRISES

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese  
No 12, 23 Dec 84 pp 43-45

[Article by Yan Zanyao [7051 6363 1031] and Feng Zigui [0023 1311 6311]:  
"Ten Problems in the Development of Rural and Small Town Enterprises"]

[Text] The development of rural and small town enterprises in the Yanbei area has gathered unprecedented momentum. Its features are: 1) The phenomenal growth of rural and small town enterprises has spawned a host of enterprises in a variety of shapes and forms which organically integrate peasants, collectives, enterprises, organizations and professional units into a unified economy. In this economy, all productive elements are freely joined together to form new productive forces. 2) The take-off of rural and small town enterprises also saw the emergence of tens of thousands of peasant entrepreneurs. Well-informed and adept at management and running a business, they are now mounting the stage of commodity production with a drive which has never been seen before. 3) There has appeared a large number of specialized villages and townships with a high concentration of rural and small town enterprises. These will generate 60 to 90 percent of the income of the region's 25 villages which expect to double their revenue this year. 4) Having outgrown their limited local markets, rural and small town enterprises are now investing their funds, labor force and technology in the larger provincial and national markets. There are currently 1,205 enterprises which are multi-municipal and multi-regional. 5) Keen competition among rural and small town enterprises has produced a number of famous brands, e.g., Yanmen oatmeal of Shanyang County, Baimashi vermicelli of Ying County, granite from Lingqiu, and so on. Reviewing the present situation, we believe the development of rural and small town enterprises depends on whether or not we manage to solve the following 10 problems:

1. Understanding. From our survey in Shuo County, we came to realize a couple of things. In 1982, Limin Commune made do with what was available locally and converted an old oil processing plant into an oil mill. The operation cost 20,000 yuan and took 2 months and the commune was able to recoup its entire investment within 1 year. But then its leadership let success go to its head and developed some "foreign" ideas. Last May in the course of putting up a vermicelli factory, they became overly concerned with appearance and formalities and copied wholesale the practices and procedures

of a state-run enterprise. They built a large factory, 12 meters wide and 54 meters long, and a 180-ton water tower. After sinking 310,000 yuan into the project, they have not yet put it into operation. Also in Shuo County, the two villages of Rirun and Biantian have no rural and small town enterprise worth the name. Zuoyun County abounds with such resources as coal, brick, tile, sand, stone and lime. Yet county, village, and township leaders are exclusively concerned with coal to the neglect of other resources. The whole county produced only 10 million bricks in 1982 and just over 24 million in 1983. In fact, most of the bricks, tiles and stone required in county construction and home building are purchased from outside. In developing rural and small town enterprises, some localities admire things foreign and look down upon local products. They aspire to grandiose projects and spurn modest ones. If they really want to develop rural and small town enterprise on an extensive scale, leaders at all levels must begin by changing their guiding ideology to embrace native as well as foreign things, and support small as well as large projects. The partial, lop-sided way in which rural and small town enterprise has been developed must be promptly corrected.

2. Principles. In the past, E'maokou Village in Huairan County was solely concerned with rural and small town enterprises organized collectively by the village and township and overlooked household enterprises. Consequently, while the collective units prospered, rural and small town enterprise as a whole made only limited progress: its total earnings were 4.88 million yuan. This year, however, because it has adopted the policy of letting everybody--village, township and peasants--get into the act, altogether five village-operated enterprises, nine small town-operated enterprises and 312 family enterprises were started. Rural and small town enterprises here are expected to garner an income of 11.03 million yuan, which would mean 1,480 yuan per person. Facts show that in developing rural and small town enterprise, we must overcome the tendency to go it alone and instead uphold the policy of involving the state, collectives and individuals so that all can take part and benefit.

3. Advantages. In our survey, we came across a number of localities which have become discouraged because their rural enterprises are languishing. They blame it on their lack of resources and favorable conditions, as if resources were synonymous with superior enterprises. But it all depends on what you make of your conditions. Qingciyao Village in Shanyuan County is rich in coal but fails to fully exploit this advantage. Last year, over 85 percent of the money that could be made from coal haulage was captured by outsiders. Since the beginning of this year, the village has been going all out to develop specialized transport households and purchased 103 motor vehicles. Such households moved a total of 190,000 tons of coal to coal stations. Thus have emerged the rudiments of an integrated coal production system linking mining, transportation and marketing. The village achieved a resource profit recovery rate of 82 percent, and the total village income this year is expected to reach 8.41 million yuan, doubling that of 1983. Situated amid loess hills, Dongxiao Village in Yanggao County has only a limited amount of stone resources. However, by making the best use of its labor, capital and technological resources, the village has set up 50 enterprises this year, including quartz mines, transportation brigades, construction teams, sauce and vinegar processing, furs, the making of hemp ropes,

apparel, and wax works. They provide jobs for 1,777 people, or 49.6 percent of the village labor force. Their projected earnings for 1984 are 4.94 million yuan, which translates into a per capita income of 311 yuan. Both figures represent an increase of 100 percent over 1983. It is clear from our survey that every locality has its own strong points, which are not confined to natural resources alone, but include technology, expertise, funds and the labor force. It all depends on how hard we look for them. Conditions are objective things susceptible to human manipulation. An unfavorable factor can be transformed into a favorable one. A weakness can be turned around to our advantage. In the development of rural and small town enterprise, therefore, there is no one universal model applicable to all. A locality must utilize its strengths, overcome its shortcomings and follow its own route. Only enterprises fashioned this way can develop vitality.

4. Expertise. During the course of our survey, we heard everybody express this laudable sentiment, "Better to have one capable person than 10 mediocre ones." Guan Yisan [7070 4135 0005], technician cum deputy director of the Yanmen oatmeal factory in Shanyang County, was one of the people set free during the amnesty. In 1957 he returned to his native village and took up farming. In 1980, he built the county's first popsicle factory for his production brigade. That same year, he was hired as a technician by the Qianjin Machine Plant in Dazhi, Hubei Province. In January 1983, while he was home visiting his family, he noticed his county's bountiful harvests in naked oats and proposed the establishment of an oatmeal factory. In July, at his suggestion and under his guidance, the Dayue commune and a production brigade jointly set up an enterprise capable of producing 500 tons of oatmeal annually. It went into operation last March and had already produced 42,000 din of quality oatmeal by May. At present 14 enterprises, including the National Local Food Products Company in Shanghai, have contracted with it to be its distributor and retailer. The factory now plans to increase annual production capacity to 1,500 tons. When the expansion is completed, it can produce 2.55 million yuan worth of oatmeal each year, on which it can make a profit of 600,000 yuan. The bottom line in the development of rural and small town enterprise and commodity production is competent people who understand technology and have a flair for management. Leadership at all levels should discard their fear of taking risks and develop a mindset favorable to the bold, intelligent and lively development of commodity production. They must rid themselves of "left" thinking and all kinds of prejudice and boldly hire "innovative" and "entrepreneurial" types of people to given enterprises a sense of dynamism.

5. Reform. At a time when rural and small town enterprise is growing by leaps and bounds, some leaders have failed to keep up with the pace. Some of them are old and ailing. Others are technologically illiterate. Yet others are conservative, unwilling to accept new ideas, and lack a pioneering spirit. With this situation in mind, Huaiyuan County has zeroed in on cadre reform as the key element in rural enterprise construction. Nobody was a sacred cow. The head of an enterprise is to be elected by its staff and workers. The leader, in turn, is to name his deputies. The county today has 60 more rural and small town enterprises than it did before, while the number of their leaders has been trimmed by 204. The average age of



these leaders has also been lowered by 12 years. Upon taking office, an overwhelming majority of the new cadres have proved to be creative thinkers and practical doers. They have courageously removed workers who were muddling through to make a living and reduced non-production workers by 6 percent. Nowadays the entire county does not have a single rural or small town enterprise which is losing money. By the end of May, rural and small town enterprises have raked in 5.12 million yuan of profits, an increase of 35.3 percent over the same period in 1983. The experiences of many places tell us that reform is indispensable to the development of these enterprises. We must encourage and support reformers and put them in important positions.

6. Funds. Mention rural and small town enterprise and some localities immediately approach the state, hands outstretched. In 1981, for instance, Nanyulin commune in Shuo County was allocated 20,000 yuan to put up a stone factory. It soon frittered away the money and was forced to discontinue the project. In contrast, Chengguan Village in Yanggao County succeeded in overcoming its old dependency on higher authorities for funds and materials. Under the leadership of its leading cadres, it decided to raise funds itself and from among peasants to finance 11 key enterprises, including a motorized transport brigade, a dried blood factory, a bean products factory, a motor vehicle repair shop, a brick and tile factory, a farm machinery plant and a wire drawing factory. This year there are 461 enterprises in the county, of which 261 are new projects. They hire a total of 3,215 people, or 40 percent of the commune labor force. Their projected earnings for 1984 are 14.26 million yuan, which accounts for 89.6 percent of the total income this year. Facts demonstrate that the development of rural and small town enterprise would be seriously held up if a locality "waits" for help from outside, "depends" on state allocations or "requests" materials from higher authorities. On the other hand, it is a strong enterprise which is created by the self-reliance of the people.

7. Markets. The products of rural and small town enterprises must be sold through the market to realize their value. Hence the importance of market information, the absence of which will lead to blind production. For example, Tianzhen County set up eight noodle factories overnight in 1982. But poor sales forced all but one to close down. This example fully shows that if people are stampeded into action on the strength of incomplete information, they will only end up regretting their ignorance. Instead, we must get to know the market thoroughly, do a good job in market surveying and forecasting, and organize commercial production in accordance with market needs. Only thus could we ensure the viability of an enterprise.

8. Quality. Because most localities today lack experience in large-scale commodity production and modern management techniques, some rural and small town enterprises have shown scanty regard for quality or reputation. An enterprise may start out by making a good product. Once it has established a reputation, however, it allows the quality of its product to decline gradually. To correct this situation, enterprises must strengthen quality control and set up an inspection and monitoring system to ensure product quality. They must adopt a variety of devices to improve their operational and management standards and "create a famous brand, excel in quality and

maintain a reputation" on a sustained basis. They must constantly introduce new technologies, adopt new techniques, develop new products, continuously improve product quality, increase their competitiveness and survive by virtue of the superior quality of their products.

9. Results. The bottom line for any economic activity is its balance sheet. For example, Shentou commune in Shuo County operates a stone factory. With six stone crushers, it produced 5,900 cubic meters of stone in 5 months and earned 70,000 yuan, of which 20,000 yuan were profits, or 180 yuan per person. Jiachanggeng Stone Factory in the same county has two stone crushers and produced 4,166 cubic meters of stone in the same 5-month period. It earned 50,000 yuan and made a profit of 15,000 yuan. Its workers each collected 500 yuan, 2.8 times that made by their counterparts at the commune-run factory. We can see from this example that in order to raise the economic results of enterprises, we must improve their management, seriously improve production technology, upgrade labor productivity and reduce consumption.

10. Leadership. Leadership is the key to the success of any undertaking, including rural and small town enterprise. From our survey, we realize that if the local leadership gives a high priority to an enterprise, then it is bound to prosper. Conversely, if the leaders are indifferent, the enterprise will languish. To develop rural and small town enterprise in a big way, leadership at all levels must first change their thinking in two ways and devote to it a substantial amount of energy. They must conduct research and investigations personally, uncover problems and solve them.

12581

CSO: 4007/202

SICHUAN

AFFORESTATION EFFORTS ENCOURAGED

OW090655 Beijing XINHUA Domestic Service in Chinese 1137 GMT 5 Mar 85

[By correspondents Zhang Wei and Feng Jiaping]

[Text] Beijing, 5 Mar (XINHUA)--According to the Ministry of Forestry, to keep up with the new situation appearing in restructuring production in rural areas and to deal with new problems in afforesting barren hills, the Sichuan Provincial People's Government has decided to adopt certain new measures to promote afforestation of barren hills and maintain the afforestation momentum in the province.

Carrying out the whole series of instructions of the CPC Central Committee and the State Council on adopting more liberal forestry policies and on speeding up the afforestation of barren hills, Sichuan achieved a major breakthrough in four areas of forestry development in 1984: 1) All of the province's 58 million mu of barren hills and sandbanks were divided and contracted out to individual households; 2) the province's 500,000 or so households engaged in forestry production made the first step toward large-scale production of commodity wood products; 3) the total afforested area in 1984 nearly doubled that of 1983; and 4) the peasants cultivated a total of 377,000 mu of commodity tree saplings. A large number of advanced afforestation models, including country magistrates and secretaries of country party committees keenly interested in forestry development, came to the fore in 1984.

However, certain new problems have appeared. This is primarily because some cadres and people have immersed themselves in industrial and sideline production, transportation and other service trades, and have ignored tree planting and grass seeding. Therefore, the Sichuan Provincial Government and the province's forestry departments, basing their findings on investigation and study, have put forward these new measures: 1) Considering the heavy workload in afforesting barren hills and the difficult nature of the task and in order to improve the quality of afforestation barren hills, administrative efforts should be made to accelerate the process of afforestation and improve its quality. Thus, the responsibility of planting trees and seeding grass should rest on county party committee secretaries and county magistrates. All countries should sign "contracts of afforestation responsibilities" with the provincial people's government to define afforestation responsibilities of county, district and township cadres. 2) People engaged in industrial and sideline production and transportation and people having left the rural and

switched to service trades in towns are permitted to exchange labor with other people, using the profits they make with their trucks or tractors to hire other people to plant trees on their behalf. They may also use various other means, such as teaching special skills in exchange for the service of afforesting privately-owned hills or contracted hills; affluent households with a labor shortage and money-deficient households with excess labor helping each other on a voluntary basis. 3) Party and government organs of areas where most of the surplus labor has not yet been transferred to other departments of production should take advantage of this opportunity and fully mobilize the masses to plant trees, striving to attain the goal of afforesting all the barren hills in the 107 counties by the end of 1985. 4) Planting of trees that grow fast, such as paulownia, poplar and ganzhang [1627 0024], should be encouraged, so as to shorten the period of forestry production, speed up the circulation of capital for forestry development, produce early economic results, and make tree planting and grass seeding more attractive. 5) Rational close planting, periodic thinning, and selective felling should be carried out; production of large, medium and small caliber timber should be encouraged simultaneously to meet market demands. 6) We should continue to encourage and support the peasants to invest in the cultivation of commodity tree saplings on a voluntary basis and assist them in making a profit the same year they invest their money so that the peasants will become more interested in forestry production.

CSO: 4007/242

SICHUAN

#### FARMERS LEARN MODERN AGRICULTURAL TECHNIQUES

OW060728 Beijing XINHUA in English 0715 GMT 6 Mar 85

[Text] Chengdu, 6 Mar (XINHUA)--Local farmers are helping each other learn modern agricultural techniques in a pioneering program underway in Sichuan Province, China's biggest grain producer.

In a groundbreaking move, households with special production skills are assigned by provincial, county or township agricultural bureaus to run training classes and give personal guidance in their fields. About 20,000 model households are now involved in the program. Teaching their neighbors new ways to raise chickens, ducks, rabbits, pigs, fish, bees and flowers.

The classes replace a network of agrotechnical centers which made much-needed information available, but also needed a lot of state investment and gave less than the desired results, an agricultural department official said. Last year, more than 930,000 peasants learned agrotechniques from one source or another, the official said.

Because experiments, demonstrations and the application of recent scientific achievements are closely linked to their economic interests, he noted, peasants are eager to learn and the application of the latest achievements has been greatly accelerated.

The provincial agricultural department gives special support and guidance to the model households to enlist their aid in the program, providing them with improved seed strains and high-quality livestock breeds. It also helps them sell their products and grants them subsidies or low-interest loans.

Ren Xuping, 18, started a rabbit farm in 1982. In the past year, he has run two training classes for peasants coming from Shaanxi, Henan, Gansu, Shandong, Guizhou, Xinjiang and other areas.

Wu Xiangjin of Jianyang County set up a citrus nursery that improved 42 varieties of orange trees. Under his personal guidance, orange groves have spread from his village throughout the whole township. The township now had 13 seedling farms employing 1,000 households. He has also written a book on orange growing which is sold in 16 provinces and cities.

CSO: 4020/146

XINJIANG

BRIEFS

**BUMPER HARVESTS**--The region has reaped bumper harvest for 7 years in succession. In 1984 the region's procurement, sales, and storage of grain and oil crops reached all-time highs. In February the region's grain storage totaled more than 2.82 billion jin, an increase of more than 600 million jin, or some 30 percent, compared with the previous year. Of this figure, the amount of wheat rose to above the 2 billion level, reaching all-time high. On average each person now has 737 jin, an increase of 137 jin compared with 1978. The situation of purchasing edible oils was also very good. By the end of February the amount of purchased edible oils exceeded the assigned target and totaled more than 91 million jin, an increase of 16 million jin compared with the previous year. Now the average per-capita amount of edible oil is 13.5 jin, an increase of 100 percent compared with 1978. [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 6 Mar 85 HK]

**LIVESTOCK SALE**--Urumqi, 23 Feb (XINHUA)--The Xinjiang Production and Construction Corps has decided to sell this year most of its livestock to herdsmen for private breeding. The sale involves 2.8 million head of animals. The decision was made after a year-long trial. The herdsmen will be allocated grazing grounds under contract. The corps has 1 million hectares of pastureland. The corps farms only keep a small number of stock animals. By mid-February, the corps had sold one-third of its sheep, cattle and hogs to herdsmen. Accordingly, the corps has set up 71 livestock companies to offer veterinary and information services, supply fodder and frozen semen of fine stocks, purchase animals and process byproducts. [Text] [Beijing XINHUA in English 0727 GMT 23 Feb 85 OW]

CSO: 4007/242

XIZANG

YIN FATANG ON NEW POLICIES AT WORK

OW160747 Beijing XINHUA in English 0724 GMT 16 Feb 85

[Text] Lhasa, 16 Feb (XINHUA)--Over 90 percent of the farmers and 95 percent of the herdsmen in Tibet Autonomous Region are now working on a household basis, according to Yin Fatang, first secretary of the regional communist party committee.

Under the new policies of encouraging rural prosperity, collectively-owned properties such as herds, farm tools, stored grain, savings deposits and other fixed assets were appraised and then divided among the individual households. All the collectively-owned livestock now belong to individual herdsmen who have the right to sell. Farmers have been assigned land and have the right to grow whatever crops they want.

The central government has not collected agricultural taxes nor required sales of grain since 1980, Yin noted. These policies helped raise the 1984 per capita income for peasants and herdsmen to over 300 yuan, 39 percent more than in 1983 and twice that of 1979.

Tibet, on what is known as the "roof of the world," had been under the feudal system of serfdom until democratic reforms were carried out in 1959. Its traditional poverty and backwardness changed slowly under ultraleftism before the end of the Cultural Revolution in 1976. The new policies to make Tibet prosper were adopted in early 1984. They were even more drastically altered following an inspection tour of Hu Qili, member of the secretariat of the party Central Committee, and Vice Premier Tian Jiyun, last August.

Hu and Tian were said to have listened to the opinions of the local people. Tibetan peasants and herdsmen now can engage in commerce, industry, service and transport, Yin added. Interest-free bank loans are available to help these budding businesses get started.

More than 22,000 households in Tibet have shifted to such businesses, Yin said, in addition to 600 cooperatives formed by households devoting the bulk of all their labor force to commodity production or services. There were only a few dozen such cooperatives in early 1984.

CSO: 4007/242

YUNNAN

# INDUSTRIAL STRUCTURE REFORM PROMOTED

Kunming YUNNAN RIBAO in Chinese 30 Oct 84 pp 1,3

/Editorial: "Reform Industrial Structure and Realize Multiplication of Agriculture"/

/Text/ The provincial agricultural multiplication forum convened by the provincial party committee and the provincial people's government has proposed new requirements for revising and building a new rural industrial structure and accelerating the pace of agricultural development and this is an important problem which faces party committees and government at all levels and which requires cadres at all levels to conscientiously explore, study and solve well.

Since the 3rd Plenum of the 11th CPC Central Committee, an agricultural management system reform focussed on the family joint production contract responsibility system has been generally carried out in Yunnan Province's rural areas. Through 6 years of practice, this thorough reform has changed the management system which was unsuited to development of the agricultural productive forces and quite thoroughly overcome long-standing agricultural evils such as "all eating out of one big pot," "equalitarianism," "excessive management" and "too strict limitations." The enthusiasm of the masses of peasants has thus been aroused and agricultural production has achieved high yields and bumper harvests for 5 consecutive years. The over 790,000 specialized households, key households and new joint systems which have sprung up throughout Yunnan constitute 14.6 percent of all peasant households and have accelerated the progress of the "two transformations" of agriculture. Agricultural potential is now being developed and agricultural conditions are improving.

The present problem is: How can agriculture realize the multiplication duties proposed by the 12th CPC Party Congress? It obviously will not do to rely on traditional cultivation methods. As to Yunnan Province's grain production, 1980's gross output was 17.1 billion jin, double would be 34 billion jin and quadruple 68 billion jin. Multiplied



according to traditional methods, it would be impossible to realize this by the year 2000 and even if it was realized, we would be unable to become rich. In order to multiply agriculture, the traditional industrial structure and increased production of primary agricultural products cannot be relied on but the establishment of a new industrial structure with one industry becoming eight industries must be relied on, i.e., carrying out both cultivation and also breeding, mining, processing, commercial transportation, service, coal power sources and building materials construction. Processing and reprocessing of most primary product raw materials provided by farming, forestry and animal husbandry will greatly increase the output value of agriculture, and the duty of quadrupling agriculture will thus be completely realized.

Two imbalances now exist in Yunnan Province's agricultural development: the first is imbalanced development between regions and the second is imbalanced development between industries. As to regional imbalances, net per capita agricultural income in areas where commodity production has developed quite fast can reach approximately 400 yuan, but there are poor areas with approximately 10 million population where net per capita income is less than 120 yuan and grain rations are only 300-400 jin and also some areas where although grain per capita is over 500-600 jin, net per capita income is only about 100 yuan.

This shows that the industrial structure in these areas is irrational, they only have a grain industry, cash crops have not developed and they have even less forestry, animal husbandry and industrial sideline occupations. Judged by development between industries since the 3rd Plenum of the 11th CPC Central Committee, the family joint production contract responsibility system has been carried out, the cultivated land utilization rate has improved, the cultivation industry has been opened up, grain has increased and major cash crops have developed quite fast but there have also been limitations. The forestry management system has been put in order but there are many processing and circulation limitations. Large animal husbandry livestock have reached households but cows and sheep are still not basically being managed as commodities. As to processing, mining, coal power resources and commercial transportation, rural areas have not yet been able to solve the problems whatever they have done. In order to basically eradicate the roots of poverty in poor areas and enable peasants throughout Yunnan to become rich more quickly, it will thus be necessary to revise and build a new rural industrial structure.

Improvements in labor productivity and production developments since carrying out the family joint production responsibility system have begun to cause changes in the agricultural-economics structure in areas such as labor structure, industrial structure, consumption structure exchange and circulation structure and agricultural technology structure. Along with developments in division of labor and occupation and commodity production, the past "labor returning

to the fields and vehicles and horses serving agriculture" and the situation of most labor being tied up on the land is changing. In areas where commodity production is quite developed and land rather scarce, only about 35 percent of the labor force is engaged in cultivation! Facts have proved that revising and building a new rural industrial structure is the key in multiplying agriculture, an inevitable trend of developing circumstances and also a pressing need of the masses of peasants. Leading comrades at all levels must see that reforming the rural economic structure, transforming the labor force and building new industries will be a major rural policy and a major problem having strategic significance after carrying out the family joint production contract responsibility system. In the coming rural economic reforms, it will be necessary to firmly stress the central link of reforming industrial structure, to put revising and building a new rural industrial structure on the major agenda, to thoroughly investigate and study and to conscientiously try to find out and summarize experience and pay close attention to mastering it.

12267

CSO: 4007/144

YUNNAN

#### CADRES TO LEAD RURAL DISCUSSIONS ON GETTING RICH

HK060608 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 5 Mar 85

[Excerpts] The province will organize at regular intervals 100,000 cadres at the provincial, prefectural and county levels to go to the rural areas to take part in mass discussions on getting rich. This was revealed this morning by Governor Pu Chaozhu at a provincial mobilization meeting on getting rich and organizing the scientific and technical services.

Governor Pu also put forward the great significance of convening the mass discussions on getting rich.

First, such discussions are a realization of the 1985, Central Document No 1 as well as the most effective way for readjusting the rural industrial structure.

Second, the discussions conform to the present new situation in which the peasants' strong desire is striving for prosperity.

Third, the discussions carry forward the traditional practices in which party members depend on the masses and take the mass line. This is also a new way for guiding the present economic work.

Fourth, through discussions on getting rich in light of local conditions in districts, villages and households, we will be able to further implement the ideological line of seeking truth from facts and avoid giving new arbitrary and impractical directions when readjusting the rural industrial structure.

Fifth, the discussions are the most effective method of maintaining close links between cadres and the masses and improving the work style of the leadership. In the course of implementation, the cadres will gain more knowledge and improve their leadership ability.

In his speech Governor Pu Chaozhu stressed: Doing well in service work, including information and circulation services and those involved before and after the production of goods, is the crucial point for getting rich.

On doing well in technical services, Governor Pu Chaozhu proposed the following four points:

First, we should organize the departments concerned and make them gear to the needs of counties, districts and town and township enterprises, as well as specialized and major households. We should also help the rural areas make use of scientific and technical achievements.

Second, the departments concerned may organize teams to provide supporting technical services.

Third, through various ways such as advertising and issuing circulars, units may inform the peasants about their specific projects and contents which can help the rural areas get rich and concern the provision of technical services. Therefore both the upper and lower levels are linked up.

Fourth, the state, collectives and individuals should go ahead simultaneously and provide training on technology in a bid to get rich.

Today's mobilization meeting was attended by over 190 people, including those from economic departments directly under the provincial authorities; research departments; universities and colleges; large factories, mines and enterprises that have rather strong technical forces; as well as responsible comrades of departments concerned from the prefectures, autonomous prefectures and cities.

CSO: 4007/242

Geography

AUTHOR: DUAN Yuewei  
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TITLE: "The Interannual Variation in Summer Monsoon and the Persistent Drought-Flood in China"  
SOURCE: Beijing DILI YANJIU [GEOGRAPHICAL RESEARCH] in English No 4, 1984 p 69

ABSTRACT: On the basis of the summer (June-August) precipitation data of China in the recent 31 years (1951-1981), we divide into drought-flood years and months, and select the last four years (1978-1981) as an example.

In 1978, the southern provinces of China were in severe drought. In 1979, except for some local regions in drought or flood, generally they were in normal year. In 1980, southern China was wet and northern China dry and in 1981 western China wet and eastern China dry. By using streamline field, potential equivalent temperature and moisture, we discuss the relationship between the interannual variation in summer monsoon and drought-flood. We here mainly analyze low latitude 700mb surface of the southern and northern hemisphere for 1978-1980, so as to understand some relationships between different original currents of summer monsoon and drought-flood. The results are as follows: 1) In the severely drought year of 1978, the position of subtropical high was by east and by north and meridional circulation prevailed. China was under the influence of intense SE current. The cold air was so weak that drought was persistent in the southern part of China. 2) In 1980, the streamline field was apparently different from that of 1978. The situation of subtropical high was by forward west and permanent stable. Three different currents influenced China: east of 110°E it was the SW current from the ahead ridge, SW current was also present coming from the Bay of Bengal and the cross equator current. These three systems of thermal and moist currents were convergent at the southern part of China. Simultaneously the northern cold air moved southward continuously, so that rainfall was persistent in Jianghuai River, and thus became anomalous climate of southern flood and northern drought in China. 3) During 1979, the subtropical high normally moved from south to north. Both thermal and moist SW current (coming from northwest Pacific Ocean and the Bay of Bengal) stretched forward to China and rainfall was nearly normal.

Therefore the interannual variation of summer monsoon and the situation and strength of subtropical high are closely associated with the low latitude circulation of the southern and northern hemisphere.

CSO: 4011/15

AUTHOR: HUANG Bingwei

ORG: Institute of Geography, Academia Sinica

TITLE: "Dr Zhu Kezhen (Co-ching Chu) and Scientific Investigations of Tropical China (2) The Prospects of the Development of Hainan"

SOURCE: Beijing DILI YANJIU [GEOGRAPHICAL RESEARCH] in English No 4, 1984 pp 95-96

ABSTRACT: In 1957, Dr Zhu Kezhen led a group of scientists conducting investigations on the Hainan Island and the Peninsula of Leizhou. The findings of this group were summarized in a report by Dr Zhu in the same year. His observations may be briefly stated as follows.

1. The development of tropical land will inevitably lead to conversion of the natural ecosystems (biogeozones) to more productive systems to better serve the society.

2. Much attention was paid to the plantation of tropical economic crops. With respect to rubber, the selection of suitable land, shelter belt, vegetal cover, soil conservation and high yielding cultivars adapted to the environment of Hainan were strongly recommended. About the same applied to other tropical crops as well, but, in addition, research on plants naturally growing in the region was stressed.

3. Self-sufficiency in staple food production should be the minimum goal while the extension of sugar cane and pineapple cultivation to meet the need of other regions of China was advocated. Distribution of crops in conformation with the physical environment was advised, and along with this, diversification was suggested. Efforts were called to establish sustained production systems. Measures to increase food production as stipulated included better land management, higher yield and increased multiple cropping. Development of irrigation and expansion of fertilizer supply were mentioned as the key to higher yield of food crops. Livestock production was viewed as a means both to provide meat and other animal products and to supply manures for crops. Green manures and local resource of liming materials were also regarded as important to raising crop productivity.

4. Deforestation and other vegetation destruction was seriously worried about its inducement to soil erosion and its harmful effect on water resources. Importance was tacitly accorded to forestation, as witnessed by much discussion in the report on tree species adaptable to various types of terrain. In connection with forestation, firewood production and again shelter belt establishment were regarded as useful and indispensable. Nature reserve was also tacitly highly valued, since it was strongly recommended in his other reports.

Since 1957, significant progress has been made in scientific research on tropical environment of the world. Simultaneously, considerable changes have taken place in Hainan. A no small fraction of rubber plantation has gone around to attain fairly high productivities mainly consequent upon the adoption of measures stated in 1. There has been a growth in agricultural production, but still part behind self-sufficiency in staple food. Remarkable achievements have appeared in scene in planting quick growing trees in some coastal tracts. Irrigation has developed on a moderate scale, although leaving much to be desired. Changes may be noted in all other aspects, but not impressive. A tragedy is that annual forest depletion surpasses annual forest growth. The need to reverse the tendency is becoming more and more urgent. In view of the recent advances in scientific knowledge of the tropics and developments in the situation of Hainan, the majority of Dr Zhu's observations in 1957 still hold good today.

Recently numerous investigations have been undertaken on the problems of the development of Hainan. In the symposium on Hainan in Guangzhou in 1983, organized by the China Association for Science and Technology, a number of proposals were presented. I agree with most of them. But their implementation would require many years and heavy overhead expenditures. In my opinion, *Leucaena leucocephala* may serve as cheap alternatives for the solution of many problems. It will supply fuelwood, timber, wood pulp, fertilizers and animal feed, control soil erosion, slow down deforestation, improve soil properties, and help to make reforestation less difficult. Its potentialities are not fully understood. The importance of continuing scientific research on various facets of *leucaena* to support its planting for different purposes on different terrain types is not sufficiently recognized. Discussions over these constitute the third section of part (2) of this paper. In 1957, the plant under consideration was little known to the scientific world. Dr Zhu barely mentioned the name of it as one of the tree species for forestation with no further explanation. I recommend the inclusion of similar plants, both introduced and native, in the research program is in compliance with Dr Zhu's emphasis on plants naturally growing on the Island of Hainan.

CSO: 4011/15

AUTHOR: HSIEH Huanjiang  
ORG: Department of Geography, Guangzhou Normal Institute  
TITLE: "Climatic Changes in Guangdong Province Since 16th Century"  
SOURCE: Beijing DILI YANJIU [GEOGRAPHICAL RESEARCH] in English No 4, 1984  
p 110

ABSTRACT: In this paper, natural calamities recorded in literatures and modern meteorological observation data are adopted to study the climatic changes of Guangdong Province during the 16-20th centuries and its tendency in the future climate.

During the recent 500 years, the history of the climate of Guangdong Province can be divided into four cold periods ( -1537 year, 1636-1729 year, 1831-1894 year and 1950-now) and three warm periods (1538-1633 year, 1730-1830 year and 1895-1949 year). They are shown in the table. The coldest periods were 1636-1729 and 1831-1894. There were two cold periods: the cold period of the 17th century was the longest, with a duration of 93 years. And the other cold period occurred in the 19th century, which continued for 63 years. It was colder than that of the 17th century. In the three warm periods, the warm period of the 20th century is the warmest, in addition, the cold period of the 20th century (modern climate) is warmer than that of the 16-19th centuries.

The climate of Guangdong was dry in the 16-17th centuries and was humid in the 18-19th centuries. The climate now is more humid than the 16-19th centuries and similar to the climate in the 18th century. It is possible that the climate of Guangdong will become warmer by the coming century.

In the winter seasons at present, the lowest temperature was raised by 3.2°C, and the January mean temperature was raised by 1.8°C approximately higher than that of the 16-19th centuries.

CSO: 4011/15



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TITLE: "Preliminary Analysis on Soil Salinization Along the Proposed East Route in South-to-North Water Transfer Project"

SOURCE: Beijing DILI YANJIU [GEOGRAPHICAL RESEARCH] in English No 4, 1984

ABSTRACT: The south-to-north water transfer is a magnificent project in China, which brings excess water from the Yangtze River in the south to the arid areas of north and northwest China. The proposed east transfer route would pass through and supply water to the Huang-Huai-Hai plain.

The Huang-Huai-Hai plain is a weakly or easily salinized region. Owing to the influence of the Pacific monsoon, this region has always suffered from disasters of drought, flooding, salinization and alkalization throughout its history. Under this specific natural condition and human activity, soil salt-water movement is significantly characterized by seasonal changes. Soil is in the process of modern salinization, only varying in degrees of salt accumulation with location and times. Therefore, in the design and implementation of the south-to-north water transfer, attention should be paid to the control of soil salinization.

After the water is transferred, the irrigation area in the Huang-Huai-Hai plain will be enlarged. There will be a beneficial effect on improving water condition of this region, leaching soil salt and promoting agricultural production. At the same time, the present salt-water balance of the region will be changed. The districts with poor natural drainage and without artificial drainage system might be confronted with secondary soil salinization.

If the four lakes in the south of the Huang He are used as regulation reservoirs in the south-to-north water transfer project, then the elevation of the original storage level of the lakes will have a definite effect on the drainage of the main channels in the west of the four lakes and on soil salinization. From a long-term point of view, it is necessary to dig deep through or to deepen the bottom of the lakes to meet the requirement of storage capacity and storage level of the lakes. In addition, the channel of drainage flooding and controlling seepage should be excavated along the west side of the four lakes, to reduce and control groundwater level of the region along the lakes; at the same time, pumping drainage station should be established at the outlet of the main drainage channel, to settle drainage outlet and increase capacity of drainage flooding.

The conveyance of water for a long period of time in the main canals, especially in the stretches where the level of transported water is higher than the land surface, would lead to the formation of high-water-table zones on both sides of the canals, owing to a large amount of seepage of canals. The groundwater runoff in the left side of the main canals would impede in varying degrees and block the drainage of underground runoff and might lead to a general increase of the level of groundwater and aggravate soil salinization along the canal. Both an adequate engineering drainage system of controlling or intercepting seepage and an agricultural technique should be considered. At the same time, a scientific management system for the supply of transferred water should be worked out. So long as more attention is paid and appropriate and reasonable measures of water management, agricultural and engineering system are adopted, soil salinization could be prevented or controlled.

CSO: 4011/15

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